

**AMENDMENT TO  
LIMITED OFFERING MEMORANDUM DATED OCTOBER 17, 2018**  
relating to

**DEL WEBB BEXLEY COMMUNITY DEVELOPMENT DISTRICT  
(Pasco County, Florida)**

**\$10,180,000  
Special Assessment Bonds, Series 2018  
(the "Bonds")**

The above-referenced Limited Offering Memorandum dated October 17, 2018 (the "Limited Offering Memorandum"), relating to the above-referenced Bonds is hereby amended as follows:

**Page 19: The following paragraph replaces in its entirety the subsection entitled "*Optional Redemption*" under the section entitled "Redemption Provisions for the Series 2018 Bonds":**

*Optional Redemption.* The Series 2018 Bonds may, at the option of the District in writing, be called for redemption prior to maturity in whole or in part at any time on or after November 1, 2029 (less than all Series 2018 Bonds to be specified by the District in writing), at a Redemption Price equal to 100% of the principal amount of Series 2018 Bonds to be redeemed plus accrued interest from the most recent Interest Payment Date to the date of redemption.

**APPENDIX C:** The First Supplemental Indenture that was included as part of APPENDIX C, beginning on Page C-25 of the Limited Offering Memorandum, is hereby replaced in its entirety with the attached First Supplemental Indenture.

A copy of this Amendment should accompany and be attached to the cover of each copy of the Limited Offering Memorandum.

**MBS CAPITAL MARKETS, LLC**

October 25, 2018

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FIRST SUPPLEMENTAL TRUST INDENTURE

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BETWEEN

DEL WEBB BEXLEY COMMUNITY DEVELOPMENT DISTRICT

AND

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

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Dated as of October 1, 2018

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Authorizing and Securing

\$10,180,000

DEL WEBB BEXLEY COMMUNITY DEVELOPMENT DISTRICT  
(Pasco County, Florida)  
Special Assessment Bonds, Series 2018

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THIS FIRST SUPPLEMENTAL TRUST INDENTURE dated as of October 1, 2018 (the "First Supplemental Indenture") between **DEL WEBB BEXLEY COMMUNITY DEVELOPMENT DISTRICT** (the "Issuer" or the "District"), a local unit of special-purpose government organized and existing under the laws of the State of Florida, and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association duly organized and existing under the laws of the United States of America, with its designated corporate trust office located at 225 E. Robinson Street, Suite 250, Orlando, Florida 32801 (said banking association and any bank or trust company becoming successor trustee under this First Supplemental Indenture being hereinafter referred to as the "Trustee");

**W I T N E S S E T H:**

**WHEREAS**, the Issuer is a local unit of special purpose government duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act") and Ordinance No. 17-39 of the Board of County Commissioners of Pasco County, Florida, enacted on October 24, 2017, with an effective date of October 30, 2017, for the purpose, among other things, of financing and managing the design, acquisition, construction, maintenance, and operation of systems, facilities and basic infrastructure within and without the boundaries of the premises to be governed by the Issuer; and

**WHEREAS**, the premises governed by the Issuer (referred to herein as the "District Lands") are described more fully in Exhibit A to the Master Trust Indenture dated as of October 1, 2018 (the "Master Indenture"), between the District and the Trustee, and currently consists of approximately 429 acres of land located entirely within the County; and

**WHEREAS**, the Issuer has been created for the purpose of delivering certain community development services and facilities for the benefit of the District Lands; and

**WHEREAS**, the Issuer has determined to undertake, in one or more stages, the acquisition and construction of certain public infrastructure and associated professional fees and incidental costs related thereto pursuant to the Act for the special benefit of the District Lands (as further described in Exhibit B to the Master Indenture, the "Capital Improvement Plan"); and

**WHEREAS**, the Board of Supervisors of the Issuer (the "Board") duly adopted Resolution No. 2018-31 on February 28, 2018 (the "Initial Bond Resolution"), authorizing, among other things, the issuance, in one or more series, of not to exceed \$35,000,000 aggregate principal amount of its Del Webb Bexley Community Development District Special Assessment Bonds in order to pay all or a portion of the costs of the planning, financing, acquisition, construction, reconstruction, equipping and installation of the Capital Improvement Plan; and

**WHEREAS**, the District's Resolution 2018-40 was duly adopted by the Board on September 12, 2018, authorizing, among other things, the sale of its Special Assessment Bonds, Series 2018 (the "Series 2018 Bonds") which are issued hereunder, as one Series of Bonds under, and as defined in, the Master Indenture, and has authorized the execution and delivery of the Master Indenture and this First Supplemental Indenture to secure the issuance of the Series 2018 Bonds and to set forth the terms of the Series 2018 Bonds; and

**WHEREAS**, the District will apply the proceeds of the Series 2018 Bonds to: (i) finance the Cost of acquiring, constructing and equipping assessable improvements comprising the Series 2018 Project (as defined herein); (ii) pay certain costs associated with the issuance of the Series 2018 Bonds; (iii) make a deposit into the Series 2018 Debt Service Reserve Account which account will be held for the benefit of all of the Series 2018 Bonds, without privilege or priority of one Series 2018 Bond over another; and (iv) pay the interest to become due on the Series 2018 through May 1, 2020; and

**WHEREAS**, the Series 2018 Bonds will be secured by a pledge of the Pledged Revenues (as hereinafter defined) to the extent provided herein, which Pledged Revenues consist primarily of the Series 2018 Special Assessments (as hereinafter defined) levied on that portion of the District Lands benefitted by the Series 2018 Project; and

**NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH**, that to provide for the issuance of the Series 2018 Bonds, the security and payment of the principal or redemption price thereof (as the case may be) and interest thereon, the rights of the Bondholders and the performance and observance of all of the covenants contained herein and in said Series 2018 Bonds, and for and in consideration of the mutual covenants herein contained and of the purchase and acceptance of the Series 2018 Bonds by the Owners thereof, from time to time, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the Issuer does hereby assign, transfer, set over and pledge to the Trustee, its successors in trust and its assigns forever, and grants a lien on all of the right, title and interest of the Issuer in and to the Pledged Revenues as security for the payment of the principal, redemption or purchase price of (as the case may be) and interest on the Series 2018 Bonds issued hereunder and any other amounts owed hereunder, and any Bonds issued on a parity with the Series 2018 Bonds, all in the manner hereinafter provided, and the Issuer further hereby agrees with and covenants unto the Trustee as follows:

**TO HAVE AND TO HOLD** the same and any other revenues, property, contracts or contract rights, accounts receivable, chattel paper, instruments, general intangibles or other rights and the proceeds thereof, which may, by delivery, assignment or otherwise, be subject to the lien created by the Indenture.

**IN TRUST NEVERTHELESS**, for the equal and ratable benefit and security of all present and future Owners of the Series 2018 Bonds issued and to be issued under this First Supplemental Indenture, without preference, priority or distinction as to lien or otherwise (except as otherwise specifically provided in this First Supplemental Indenture) of any one

Series 2018 Bond over any other Series 2018 Bond, all as provided in the Indenture (as hereinafter defined), and any Bonds issued on a parity with the Series 2018 Bonds.

**PROVIDED, HOWEVER,** that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal or redemption price of the Series 2018 Bonds issued, and any Bonds issued on a parity with the Series 2018 Bonds, secured and Outstanding hereunder and the interest due or to become due thereon, at the times and in the manner mentioned in such Series 2018 Bonds and the Indenture, according to the true intent and meaning thereof and hereof, and the Issuer shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this First Supplemental Indenture and the rights hereby granted shall cease and terminate, otherwise this First Supplemental Indenture to be and remain in full force and effect.

## ARTICLE I

### DEFINITIONS

In this First Supplemental Indenture capitalized terms used without definition shall have the meanings ascribed thereto in the Master Indenture and, in addition, the following terms shall have the meanings specified below, unless otherwise expressly provided or unless the context otherwise requires:

“Acquisition Agreements” shall mean, collectively, the Agreement Regarding the Acquisition of Certain Work Product and Infrastructure, by and between the District and the Developer and the Agreement Regarding the Acquisition of Certain Work Product and Infrastructure, by and between the District and the Master Landowner, each dated October 26, 2018.

“Arbitrage Certificate” shall mean that certain Arbitrage Certificate of the Issuer, dated October 26, 2018, relating to certain restrictions on arbitrage under the Code.

“Assessment Methodology” shall mean, collectively, the Del Webb Bexley Community Development District Amended and Restated Master Special Assessment Allocation Report originally dated February 28, 2018 and amended September 12, 2018, as supplemented by the Final Supplemental Special Assessment Allocation Report dated October 17, 2018, each as prepared by the Methodology Consultant and relating to the Series 2018 Bonds, including, without limitation, all exhibits and appendices thereto.

“Assessment Resolutions” shall mean Resolution Nos. 2018-32, 2018-33, 2018-35 and 2019-01 of the Issuer adopted February 28, 2018, February 28, 2018, April 25, 2018 and October 24, 2018, respectively, as amended and supplemented from time to time.

“Authorized Denomination” shall mean, with respect to the Series 2018 Bonds, \$5,000 or any integral multiple thereof; provided however, that the Series 2018 Bonds shall be delivered to the initial purchasers thereof in aggregate principal amounts of \$100,000 or integral multiples of \$5,000 in excess of \$100,000.

“Collateral Assignments” shall mean, collectively, the Collateral Assignment and Assumption of Development and Contract Rights, by the Developer in favor of the Issuer, and the Collateral Assignment and Assumption of Development and Contract Rights, by the Master Landowner in favor of the Issuer, each dated October 26, 2018.

“Developer” shall mean Pulte Home Company, LLC, a Florida limited liability company, and any affiliate or any entity which succeeds to its interests and assumes any or all of the responsibilities of said entity, as the developer of the District Lands.

“District Manager” shall mean the person or entity serving as the Issuer’s District Manager from time to time. The initial District Manager shall be Rizzetta & Company, Incorporated.

“Engineer’s Report” shall mean, collectively, the Report of District Engineer dated February, 2018, prepared by Clearview Land Design, P.L.

“First Supplemental Indenture” shall mean this First Supplemental Trust Indenture dated as of October 1, 2018, by and between the Issuer and the Trustee, as supplemented or amended.

“Indenture” shall mean, collectively, the Master Indenture and this First Supplemental Indenture.

“Interest Payment Date” shall mean May 1 and November 1 of each year, commencing May 1, 2019.

“Master Landowner” shall mean NNP–Bexley, LLC, a Florida limited liability company, and any affiliate or any entity which succeeds to its interests and assumes any or all of the responsibilities of said entity.

“Methodology Consultant” shall mean, initially, Rizzetta & Company, Incorporated, or such successor Methodology Consultant appointed by the District.

“Paying Agent” shall mean the Trustee, and its successors and assigns as Paying Agent hereunder.

“Pledged Revenues” shall mean, with respect to the Series 2018 Bonds (a) all revenues received by the Issuer from the Series 2018 Special Assessments levied and collected on that portion of the District Lands benefited by the Series 2018 Project, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such

Series 2018 Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2018 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Indenture; provided, however, that Pledged Revenues shall not include (A) any moneys transferred to the Rebate Fund, or investment earnings thereon, and (B) “special assessments” levied and collected by the Issuer under Section 190.022 of the Act for maintenance purposes or “maintenance special assessments” levied and collected by the Issuer under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Indenture shall not apply to any of the moneys described in the foregoing clauses (A) and (B) of this proviso).

“Redemption Date” shall mean February 1, May 1, August 1 and November 1.

“Registrar” shall mean the Trustee, and its successors and assigns as Registrar hereunder.

“Regular Record Date” shall mean the fifteenth (15<sup>th</sup>) day (whether or not a Business Day) of the calendar month next preceding each Interest Payment Date.

“Resolution” shall mean, collectively, Resolution 2018-31 of the Issuer adopted on February 28, 2018, as supplemented by Resolution 2018-40 of the Issuer adopted on September 12, 2018.

“Series 2018 Acquisition and Construction Account” shall mean the Account so designated, established as a separate Account within the Acquisition and Construction Fund pursuant to Section 4.01(a) of this First Supplemental Indenture.

“Series 2018 Bond Redemption Fund” shall mean the Series 2018 Bond Redemption Fund established pursuant to Section 4.01(g) of this First Supplemental Indenture.

“Series 2018 Costs of Issuance Subaccount” shall mean the Account so designated, established as a separate Subaccount within the Series 2018 Acquisition and Construction Account pursuant to Section 4.01(a) of this First Supplemental Indenture.

“Series 2018 Debt Service Reserve Account” shall mean the Account so designated, established as a separate Account within the Debt Service Reserve Fund pursuant to Section 4.01(f) of this First Supplemental Indenture.

“Series 2018 Debt Service Reserve Requirement” shall mean, an amount equal to fifty percent (50%) of the maximum annual Debt Service Requirement for the Series 2018 Bonds as of any date of calculation as provided for herein, which initially is \$346,253.75.

“Series 2018 General Account” shall mean the Account so designated, established as a separate Account under the Series 2018 Bond Redemption Fund pursuant to Section 4.01(g) of this First Supplemental Indenture.

“Series 2018 Interest Account” shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 4.01(d) of this First Supplemental Indenture.

“Series 2018 Lands” shall mean that portion of the District Lands subject to the lien of the Series 2018 Special Assessments.

“Series 2018 Prepayment” shall mean the payment by any owner of property of the amount of Series 2018 Special Assessments encumbering its property, in whole or in part, prior to its scheduled due date, including optional prepayments and prepayments which become due pursuant to the “true-up” mechanism contained in the Assessment Resolutions and the True-Up Agreements. “Prepayments” shall include, without limitation, Series 2018 Prepayment Principal.

“Series 2018 Prepayment Account” shall mean the Account so designated, established as a separate Account under the Series 2018 Bond Redemption Fund pursuant to Section 4.01(g) of this First Supplemental Indenture.

“Series 2018 Prepayment Principal” shall mean the portion of a Prepayment corresponding to the principal amount of Series 2018 Special Assessments being prepaid.

“Series 2018 Principal Account” shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 4.01(c) of this First Supplemental Indenture.

“Series 2018 Project” shall mean the portion of the Capital Improvement Plan (as described in the Engineer’s Report) financed with proceeds of the Series 2018 Bonds.

“Series 2018 Revenue Account” shall mean the Account so designated, established as a separate Account within the Revenue Fund pursuant to Section 4.01(b) of this First Supplemental Indenture.

“Series 2018 Sinking Fund Account” shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 4.01(e) of this First Supplemental Indenture.

“Series 2018 Special Assessments” shall mean the Special Assessments levied on that portion of the District Lands specially benefitted by the Series 2018 Project or any portion thereof, which assessments correspond in amount to the debt service on the Series 2018 Bonds.

“Substantially Absorbed” shall mean the date on which a principal amount of the Series 2018 Special Assessments equaling at least ninety percent (90%) of the then Outstanding principal amount of the Series 2018 Bonds are levied on the District Lands with respect to which a certificate of occupancy has been issued for a structure thereon. Satisfaction of the foregoing definition shall be evidenced by the delivery by the Issuer to the Trustee of a written certificate

of the Methodology Consultant to such effect and upon which the Trustee may conclusively rely.

“True-Up Agreements” shall mean, collectively, the True-Up Agreement between the District and the Developer and the True-Up Agreement between the District and the Master Landowner, each dated October 26, 2018.

“Trustee” shall mean U.S. Bank National Association, a national banking association, and its successors and assigns.

“Uniform Method” shall mean the uniform method for the levy, collection and enforcement of Assessments afforded by Sections 197.3631, 197.3632 and 197.3635, Florida Statutes, as amended.

The words “hereof,” “herein,” “hereto,” “hereby,” and “hereunder” (except in the forms of Series 2018 Bonds), refer to the entire Indenture.

Every “request,” “requisition,” “order,” “demand,” “application,” “notice,” “statement,” “certificate,” “consent,” or similar action hereunder by the Issuer shall, unless the form or execution thereof is otherwise specifically provided, be in writing signed by a Responsible Officer of the Issuer.

All words and terms importing the singular number shall, where the context requires, import the plural number and vice versa.

## ARTICLE II

### THE SERIES 2018 BONDS

SECTION 2.01. Amounts and Terms of Series 2018 Bonds; Issue of Series 2018 Bonds. No Series 2018 Bonds may be issued under this First Supplemental Indenture except in accordance with the provisions of this Article and Articles II and III of the Master Indenture.

(a) The total principal amount of Series 2018 Bonds that may be issued under this First Supplemental Indenture is expressly limited to \$10,180,000. The Series 2018 Bonds shall be numbered consecutively from R-1 and upwards.

(b) Any and all Series 2018 Bonds shall be issued substantially in the form attached as **Exhibit C** to the Master Indenture, with such appropriate variations, omissions and insertions as are permitted or required by the Indenture and with such additional changes as may be necessary or appropriate to conform to the provisions of the Resolution and this First Supplemental Indenture. The Issuer shall issue the Series 2018 Bonds upon execution of this First Supplemental Indenture and satisfaction of the requirements of Section 3.01 of the Master Indenture; and the Trustee shall, at the

Issuer's written request, authenticate such Series 2018 Bonds and deliver them as specified in the request.

SECTION 2.02. Execution. The Series 2018 Bonds shall be executed by the Issuer as set forth in the Master Indenture.

SECTION 2.03. Authentication. The Series 2018 Bonds shall be authenticated as set forth in the Master Indenture. No Series 2018 Bond shall be valid until the certificate of authentication shall have been duly executed by the Trustee, as provided in the Master Indenture.

SECTION 2.04. Purpose, Designation and Denominations of, and Interest Accruals on, the Series 2018 Bonds.

(a) The Series 2018 Bonds are being issued hereunder in order to provide funds to (i) pay the Costs of the Series 2018 Project, (ii) fund the Series 2018 Debt Service Reserve Account, (iii) pay the costs of issuance of the Series 2018 Bonds, and (iv) pay the interest to become due on the Series 2018 through May 1, 2020. The Series 2018 Bonds shall be designated "Del Webb Bexley Community Development District (Pasco County, Florida) Special Assessment Bonds, Series 2018," and shall be issued as fully registered bonds without coupons in Authorized Denominations.

(b) The Series 2018 Bonds shall be dated the date of original issuance thereof. Interest on the Series 2018 Bonds shall be payable on each Interest Payment Date to maturity or prior redemption. Interest on the Series 2018 Bonds shall be payable from the most recent Interest Payment Date next preceding the date of authentication thereof to which interest has been paid, unless the date of authentication thereof is a May 1 or November 1 to which interest has been paid, in which case from such date of authentication, or unless the date of authentication thereof is prior to November 1, 2018, in which case from the date of original issuance of the Series 2018 Bonds, or unless the date of authentication thereof is between a Record Date and the next succeeding Interest Payment Date, in which case from such Interest Payment Date.

(c) Except as otherwise provided in Section 2.07 of this First Supplemental Indenture in connection with a book-entry only system of registration of the Series 2018 Bonds, the principal or Redemption Price of the Series 2018 Bonds shall be payable in lawful money of the United States of America at the designated corporate trust office of the Paying Agent upon presentation of such Series 2018 Bonds. Except as otherwise provided in Section 2.07 of this First Supplemental Indenture in connection with a book-entry only system of registration of the Series 2018 Bonds, the payment of interest on the Series 2018 Bonds shall be made on each Interest Payment Date to the Owners of the Series 2018 Bonds by check or draft drawn on the Paying Agent and mailed on the applicable Interest Payment Date to each Owner as such Owner appears on the Bond Register maintained by the Registrar as of the close of business on the Regular Record Date, at his address as it appears on the Bond Register. Any interest on any

Series 2018 Bond which is payable, but is not punctually paid or provided for on any Interest Payment Date (hereinafter called "Defaulted Interest") shall be paid to the Owner in whose name the Series 2018 Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be not more than fifteen (15) nor less than ten (10) days prior to the date of proposed payment. The Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class, postage-prepaid, to each Owner of record as of the fifth (5<sup>th</sup>) day prior to such mailing, at his address as it appears in the Bond Register not less than ten (10) days prior to such Special Record Date. The foregoing notwithstanding, any Owner of Series 2018 Bonds in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Paying Agent, upon requesting the same in a writing received by the Paying Agent at least fifteen (15) days prior to the relevant Interest Payment Date, which writing shall specify the bank, which shall be a bank within the continental United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Paying Agent, and any such rescission or change of wire transfer instructions must be received by the Paying Agent at least fifteen (15) days prior to the relevant Interest Payment Date.

SECTION 2.05. Debt Service on the Series 2018 Bonds.

(a) The Series 2018 Bonds will mature on May 1 in the years, be issued in the principal amounts and bear interest at the rates per annum, subject to the right of prior redemption in accordance with their terms, as follows.

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
May 1, 2023	\$500,000	4.200%
May 1, 2028	1,000,000	4.625
May 1, 2039	3,350,000	5.300
May 1, 2049	5,330,000	5.400

(b) Interest on the Series 2018 Bonds will be computed in all cases on the basis of a 360-day year comprised of twelve 30-day months. Interest on overdue principal and, to the extent lawful, on overdue interest will be payable at the numerical rate of interest borne by the Series 2018 Bonds on the day before the default occurred.

SECTION 2.06. Disposition of Series 2018 Bond Proceeds. From the net proceeds of the Series 2018 Bonds received by the Trustee, which shall be \$9,976,400.00 (reflecting the aggregate principal amount of the Series 2018 Bonds of \$10,180,000.00 less an underwriter's discount of \$203,600.00 and retained by the purchaser of the Series 2018 Bonds);

(a) \$346,253.75, which is an amount equal to the initial Series 2018 Debt Service Reserve Requirement, shall be deposited in the Series 2018 Debt Service Reserve Account of the Debt Service Reserve Fund;

(b) \$200,000.00 shall be deposited into the Series 2018 Costs of Issuance Subaccount of the Series 2018 Acquisition and Construction Account and applied to pay costs of issuance of the Series 2018 Bonds;

(c) \$806,327.50 shall be deposited into the Series 2018 Interest Account and applied to pay capitalized interest on the Series 2018 Bonds due through May 1, 2020; and

(d) \$8,623,818.75, constituting all remaining proceeds of the Series 2018 Bonds, shall be deposited in the Series 2018 Acquisition and Construction Account of the Acquisition and Construction Fund to be applied to pay Costs of the Series 2018 Project in accordance with Article V of the Master Indenture.

SECTION 2.07. Book-Entry Form of Series 2018 Bonds. The Series 2018 Bonds shall be issued as one fully registered bond per maturity and deposited with The Depository Trust Company, New York, New York (“DTC”), which is responsible for establishing and maintaining records of ownership for its participants.

The Issuer shall enter into a letter of representations with DTC providing for such book-entry only system, in accordance with the provisions of Section 2.11 of the Master Indenture. Such agreement may be terminated at any time by either DTC or the Issuer. In the event of such termination, the Issuer shall select another securities depository. If the Issuer does not replace DTC within sixty (60) days of such termination and, in all instances, prior to the next Interest Payment Date, the Trustee will, at the expense of the Issuer, register and deliver to the Beneficial Owners replacement Series 2018 Bonds in the form of fully registered Series 2018 Bonds in accordance with the instructions from Cede & Co. While the Series 2018 Bonds are registered in book-entry only, presentation of the Series 2018 Bonds is not necessary for payment thereon.

SECTION 2.08. Appointment of Registrar and Paying Agent. The Issuer shall keep, at the designated corporate trust office of the Registrar, books (the “Bond Register”) for the registration, transfer and exchange of the Series 2018 Bonds, and hereby appoints the Trustee, as its Registrar to keep such books and make such registrations, transfers, and exchanges as required hereby. The Trustee hereby accepts its appointment as Registrar and its duties and responsibilities as Registrar hereunder. Registrations, transfers and exchanges shall be without charge to the Bondholder requesting such registration, transfer or exchange, but such Bondholder shall pay any taxes or other governmental charges on all registrations, transfers and exchanges.

The Issuer hereby appoints the Trustee as Paying Agent for the Series 2018 Bonds. The Trustee hereby accepts its appointment as Paying Agent and its duties and responsibilities as Paying Agent hereunder.

SECTION 2.09. Conditions Precedent to the Issuance of the Series 2018 Bonds. In addition to complying with the requirements set forth in the Master Indenture in connection

with the issuance of the Series 2018 Bonds, all the Series 2018 Bonds shall be executed by the Issuer for delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Issuer or upon its order, but only upon the further receipt by the Trustee of:

- (a) Certified copies of the Assessment Resolutions;
- (b) Executed originals of the Master Indenture and this First Supplemental Indenture;
- (c) An opinion of Counsel to the District addressed to the District and the Trustee substantially to the effect that (i) the Issuer has been duly established and validly exists as a community development district under the Act, (ii) the Issuer has good right and lawful authority under the Act to undertake the Series 2018 Project being financed with the proceeds of the Series 2018 Bonds, subject to obtaining such licenses, orders or other authorizations as are, at the date of such opinion, required to be obtained from any agency or regulatory body having lawful jurisdiction in order to construct, acquire, own and operate the Series 2018 Project, (iii) all proceedings undertaken by the Issuer with respect to the Series 2018 Special Assessments have been in accordance with Florida law, (iv) the Issuer has taken all action necessary to levy and impose the Series 2018 Special Assessments, and (v) the Series 2018 Special Assessments are legal, valid and binding liens upon the property against which such Series 2018 Special Assessments are made, coequal with the lien of all state, county, district and municipal taxes, superior in dignity to all other liens, titles and claims, until paid;
- (d) A certificate of a Responsible Officer to the effect that, upon the authentication and delivery of the Series 2018 Bonds, the Issuer will not be in default in the performance of the terms and provisions of the Master Indenture or this First Supplemental Indenture;
- (e) Executed copies of the Acquisition Agreements, Collateral Assignments, and True-Up Agreements.

Delivery to the Trustee of the net proceeds from the issuance and sale of the Series 2018 Bonds is conclusive evidence of the satisfaction of conditions precedent for authentication of the Series 2018 Bonds.

### **ARTICLE III**

#### **REDEMPTION OF SERIES 2018 BONDS**

SECTION 3.01. Redemption Dates and Prices. The Series 2018 Bonds shall be subject to redemption at the times and in the manner provided in Article VIII of the Master Indenture and in this Article III. All payments of the Redemption Price of the Series 2018 Bonds shall be made on the dates hereinafter required. If less than all the Series 2018 Bonds are to be redeemed pursuant to an optional redemption or an extraordinary mandatory redemption, the portions of the Series 2018 Bonds to be redeemed shall be selected as provided in Section 8.03 of the Master Indenture unless specifically provided herein. Partial redemptions of Series 2018

Bonds shall be made in such a manner that the remaining Series 2018 Bonds held by each Bondholder shall be in Authorized Denominations, except for the last remaining Series 2018 Bond of each maturity.

(a) Optional Redemption. The Series 2018 Bonds may, at the option of the Issuer in writing, be called for redemption prior to maturity in whole or in part at any time on or after November 1, 2029 (less than all Series 2018 Bonds to be specified by the Issuer in writing), at a Redemption Price equal to 100% of the principal amount of Series 2018 Bonds to be redeemed plus accrued interest from the most recent Interest Payment Date to the date of redemption.

(b) Extraordinary Mandatory Redemption in Whole or in Part. The Series 2018 Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole, on any date, or in part, on any Redemption Date, at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Series 2018 Bonds to be redeemed, plus interest accrued to the date of redemption, as follows:

(i) from Series 2018 Prepayments deposited into the Series 2018 Prepayment Account of the Series 2018 Bond Redemption Fund following the payment in whole or in part of Series 2018 Special Assessments on any portion of the Series 2018 Lands in accordance with the provisions of Section 4.05(a) of this First Supplemental Indenture, including any excess moneys transferred from the Series 2018 Debt Service Reserve Account to the Series 2018 Prepayment Account of the Series 2018 Bond Redemption Fund resulting from such Series 2018 Prepayment pursuant to Section 4.01(f)(ii) of this First Supplemental Indenture.

(ii) on or after the Completion Date of the Series 2018 Project, by application of moneys remaining in the Series 2018 Acquisition and Construction Account of the Acquisition and Construction Fund not reserved by the Issuer for the payment of any remaining part of the Cost of the Series 2018 Project, which has been transferred as specified in Section 4.01(a) hereof to the Series 2018 General Account of the Series 2018 Bond Redemption Fund, credited toward extinguishment of the Series 2018 Special Assessments and applied toward the redemption of the Series 2018 Bonds in accordance with the manner it has credited such excess moneys toward extinguishment of Series 2018 Special Assessments which the Issuer shall describe to the Trustee in writing.

(iii) following condemnation or the sale of any portion of the Series 2018 Project to a governmental entity under threat of condemnation by such governmental entity and the payment of moneys which are not to be used to rebuild, replace or restore the taken portion of the Series 2018 Project to the Trustee by or on behalf of the Issuer for deposit into the Series 2018 General Account of the Series 2018 Bond Redemption Fund in order to effectuate such redemption and, which moneys shall be applied by the Issuer to redeem Series 2018 Bonds in accordance with the manner it

has credited such moneys toward extinguishment of Series 2018 Special Assessments which the Issuer shall describe to the Trustee in writing.

(iv) following the damage or destruction of all or substantially all of the Series 2018 Project to such extent that, in the reasonable opinion of the Issuer, the repair and restoration thereof would not be economical or would be impracticable, to the extent of amounts paid by the Issuer to the Trustee for deposit to the Series 2018 General Account of the Series 2018 Bond Redemption Fund which moneys shall be applied by the Issuer to redeem Series 2018 Bonds in accordance with the manner it has credited such moneys toward extinguishment of Series 2018 Special Assessments; provided, however, that at least forty-five (45) days prior to such extraordinary mandatory redemption, the Issuer shall cause to be delivered to the Trustee (x) notice setting forth the date of redemption and (y) a certificate of the Consulting Engineer confirming that the repair and restoration of the Series 2018 Project would not be economical or would be impracticable, such certificate upon which the Trustee shall be entitled to rely.

(v) from moneys, if any, on deposit in the Series 2018 Funds and Accounts (other than the Rebate Fund) sufficient to pay and redeem all Outstanding Series 2018 Bonds and accrued interest thereon to the date of redemption in addition to all amounts owed to Persons under the Indenture.

(c) Mandatory Sinking Fund Redemption. The Series 2018 Bond maturing on May 1, 2023, is subject to mandatory redemption in part by the Issuer by lot prior to its scheduled maturity from moneys in the Series 2018 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>
2021	\$160,000
2022	165,000
2023*	175,000

\*Final Maturity

The Series 2018 Bond maturing on May 1, 2028, is subject to mandatory redemption in part by the Issuer by lot prior to its scheduled maturity from moneys in the Series 2018 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>	<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>
2024	\$180,000	2027	\$210,000
2025	190,000	2028*	220,000
2026	200,000		

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\*Final Maturity

The Series 2018 Bond maturing on May 1, 2039, is subject to mandatory redemption in part by the Issuer by lot prior to its scheduled maturity from moneys in the Series 2018 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>	<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>
2029	\$230,000	2035	\$315,000
2030	245,000	2036	335,000
2031	255,000	2037	355,000
2032	270,000	2038	370,000
2033	285,000	2039*	390,000
2034	300,000		

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\*Final Maturity

The Series 2018 Bond maturing on May 1, 2049, is subject to mandatory redemption in part by the Issuer by lot prior to its scheduled maturity from moneys in the Series 2018 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>	<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>
2040	\$415,000	2045	\$540,000
2041	435,000	2046	570,000
2042	460,000	2047	605,000
2043	485,000	2048	635,000
2044	515,000	2049*	670,000

\*Final Maturity

SECTION 3.02. Notice of Redemption. When required to redeem Series 2018 Bonds under any provision of this First Supplemental Indenture or directed to redeem Series 2018 Bonds by the Issuer, the Trustee shall give or cause to be given to Owners of the Series 2018 Bonds to be redeemed notice of the redemption, as set forth in Section 8.02 of the Master Indenture.

#### ARTICLE IV

#### ESTABLISHMENT OF CERTAIN FUNDS AND ACCOUNTS; ADDITIONAL COVENANTS OF THE ISSUER; PREPAYMENTS; REMOVAL OF SPECIAL ASSESSMENT LIENS

##### SECTION 4.01. Establishment of Certain Funds and Accounts.

(a) The Trustee shall establish a separate Account within the Acquisition and Construction Fund designated as the "Series 2018 Acquisition and Construction Account." Proceeds of the Series 2018 Bonds shall be deposited into the Series 2018 Acquisition and Construction Account in the amount set forth in Section 2.06 of this First Supplemental Indenture, together with any excess moneys transferred to the Series 2018 Acquisition and Construction Account, and such moneys in the Series 2018 Acquisition and Construction Account shall be applied as set forth in Article V of the Master Indenture and Sections 4.01(a) and 3.01(b)(ii) of this First Supplemental Indenture. After the Completion Date of the Series 2018 Project and after retaining in the Series 2018 Acquisition and Construction Account the amount, if any, of all remaining unpaid Costs of the Series 2018 Project set forth in the Consulting Engineer's Certificate establishing such Completion Date, any funds remaining in the Series 2018 Acquisition and Construction Account shall be transferred to and deposited into the Series 2018 General Account of the Series 2018 Bond Redemption Fund and applied to the extraordinary mandatory redemption of the Series 2018 Bonds, and the Series 2018 Acquisition and Construction Account shall be closed.

There is hereby established within the Series 2018 Acquisition and Construction Account of the Acquisition and Construction Fund held by the Trustee a "Series 2018 Costs of Issuance Subaccount." Amounts in the Series 2018 Costs of Issuance Subaccount shall be applied by the

Trustee to pay the costs relating to the issuance of the Series 2018 Bonds. Six months after the date of issuance of the Series 2018 Bonds, any moneys remaining in the Series 2018 Costs of Issuance Subaccount which have not been requisitioned by the Issuer to pay costs relating to the issuance of the Series 2018 Bonds shall be deposited into the Series 2018 Acquisition and Construction Account and applied as set forth in Article V of the Master Indenture and Section 4.01(a) of this First Supplemental Indenture, and the Series 2018 Costs of Issuance Subaccount shall be closed.

(b) Pursuant to Section 6.03 of the Master Indenture, the Trustee shall establish a separate Account within the Revenue Fund designated as the "Series 2018 Revenue Account." Series 2018 Special Assessments (except for Series 2018 Prepayments which shall be identified as such by the Issuer to the Trustee to be deposited in the Series 2018 Prepayment Account) shall be deposited by the Trustee into the Series 2018 Revenue Account which shall be applied as set forth in Article VI of the Master Indenture and Section 4.02 of this First Supplemental Indenture.

(c) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2018 Principal Account." Moneys shall be deposited into such Account as provided in Article VI of the Master Indenture and Section 4.02 of this First Supplemental Indenture, and applied for the purposes provided therein.

(d) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2018 Interest Account." Proceeds of the Series 2018 Bonds shall be deposited into such Account in the amount set forth in Section 2.06(c) of this First Supplemental Indenture. Moneys deposited into such Account pursuant to the Master Indenture and Section 4.02 of this First Supplemental Indenture, shall be applied for the purposes provided therein.

(e) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2018 Sinking Fund Account." Moneys shall be deposited into such Account as provided in Article VI of the Master Indenture and Section 4.02 of this First Supplemental Indenture and applied for the purposes provided therein and in Sections 3.01(c) of this First Supplemental Indenture.

(f) Pursuant to Section 6.05 of the Master Indenture, the Trustee shall establish an Account within the Debt Service Reserve Fund designated as the "Series 2018 Debt Service Reserve Account."

(i) Proceeds of the Series 2018 Bonds shall be deposited into the Series 2018 Debt Service Reserve Account in the amount set forth in Section 2.06(a) of this First Supplemental Indenture, which account will be held for the benefit of all of the Series 2018 Bonds, without privilege or priority of one Series 2018 Bond over another, and such moneys, together with any other moneys deposited into such Account

pursuant to the Master Indenture, shall be applied for the purposes provided therein and in this Section 4.01(f). On each March 15, June 15, September 15 and December 15 (or, if such date is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amounts on deposit in the Series 2018 Debt Service Reserve Account and transfer any excess therein (except for excess resulting from interest earnings as provided in Section 4.01(f)(iii) below and excess resulting from Prepayments as provided in Section 4.01(f)(ii) below) above the Series 2018 Debt Service Reserve Requirement, as follows: (A) prior to the Completion Date of the Series 2018 Project, to the Series 2018 Acquisition and Construction Account of the Acquisition and Construction Fund, and (B) on and after the Completion Date of the Series 2018 Project, such amounts shall be transferred to the Series 2018 Revenue Account.

(ii) Notwithstanding the foregoing paragraph, so long as no Event of Default has occurred and has not been cured, upon an optional prepayment by the owner of a lot or parcel of land of a Series 2018 Special Assessment against such lot or parcel as provided in Section 4.05(a) of this First Supplemental Indenture, the District, on March 15, June 15, September 15 and December 15 (or, if such date is not a Business Day, on the Business Day next preceding such day), shall determine the Series 2018 Debt Service Reserve Requirement, taking into account such optional prepayment and shall direct the Trustee in writing to transfer any amount on deposit in the Series 2018 Debt Service Reserve Account in excess of the Series 2018 Debt Service Reserve Requirement (except for excess resulting from interest earnings) from the Series 2018 Debt Service Reserve Account to the Series 2018 Prepayment Account of the Series 2018 Bond Redemption Fund, as a credit against the Series 2018 Prepayment otherwise required to be made by the owner of such lot or parcel.

(iii) Earnings on investments in the Series 2018 Debt Service Reserve Account shall be disposed of as follows:

(A) If as of the last date on which amounts on deposit in the Series 2018 Debt Service Reserve Account were valued by the Trustee there was a deficiency in the Series 2018 Debt Service Reserve Account, or if after such date withdrawals have been made from the Series 2018 Debt Service Reserve Account and have created such a deficiency, then earnings on investments in the Series 2018 Debt Service Reserve Account shall be deposited to the credit of the Series 2018 Debt Service Reserve Account until the amounts on deposit therein equal the Series 2018 Debt Service Reserve Requirement; and

(B) As long as no notice of an Event of Default under the Indenture has been delivered to the Trustee or if such Event of Default described in a notice has been cured or waived as provided in the Master Indenture, and the amount in the Series 2018 Debt Service Reserve Account is not reduced below the then Series 2018 Debt Service Reserve Requirement, then earnings on investments in such Account shall be applied as follows: (x) prior to the

Completion Date of the Series 2018 Project, to the Series 2018 Acquisition and Construction Account of the Acquisition and Construction Fund, and (y) on and after the Completion Date of the Series 2018 Project, to the Series 2018 Revenue Account of the Revenue Fund. Upon the occurrence and continuance of an Event of Default, earnings on investments in the Series 2018 Debt Service Reserve Account shall remain therein.

(g) Pursuant to Section 6.06 of the Master Indenture, the Trustee shall establish a separate Series Bond Redemption Fund designated as the "Series 2018 Bond Redemption Fund" and within such Fund, a "Series 2018 General Account" and a "Series 2018 Prepayment Account." Except as otherwise provided in this First Supplemental Indenture, moneys to be deposited into the Series 2018 Bond Redemption Fund, as provided in Article VI of the Master Indenture shall be deposited to the Series 2018 General Account of the Series 2018 Bond Redemption Fund. Series 2018 Prepayments shall be identified as such by the Issuer to the Trustee to then be deposited directly into the Series 2018 Prepayment Account of the Series 2018 Bond Redemption Fund, as provided in the Indenture.

(h) (i) Moneys in the Series 2018 General Account (including all earnings on investments held therein) shall be accumulated therein to be used in the following order of priority, to the extent that the need therefor arises:

FIRST, to make such deposits into the Rebate Fund for the Series 2018 Bonds, if any, as the Issuer may direct in writing in accordance with the Arbitrage Certificate, such moneys thereupon to be used solely for the purposes specified in the Arbitrage Certificate. Any moneys so transferred from the Series 2018 General Account to the Rebate Fund shall thereupon be free from the lien and pledge of the Indenture;

SECOND, to be used to call for redemption pursuant to Section 3.01(b)(ii), (iii), (iv) and (v) hereof an amount of Series 2018 Bonds equal to the amount of money transferred to the Series 2018 General Account pursuant to the aforesaid clauses or provisions, as appropriate, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in such clauses or provisions, as appropriate; and

THIRD, the remainder to be utilized by the Trustee, at the written direction of a Responsible Officer, to call for redemption such Series 2018 Bonds that are subject to optional redemption pursuant to Section 3.01(a) hereof such amount of Series 2018 Bonds as, with the redemption premium, may be practicable; provided, however, that not less than \$5,000 principal amount of Bonds shall be called for redemption at one time.

(ii) Moneys in the Series 2018 Prepayment Account of the Series 2018 Bond Redemption Fund (including all earnings on investments therein) shall be accumulated therein to be used to call for redemption pursuant to Section 3.01(b)(i) hereof an amount of Series 2018 Bonds equal to the amount of money transferred to the Series 2018

Prepayment Account pursuant to the aforesaid provision, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in Section 3.01(b)(i) hereof.

SECTION 4.02. Series 2018 Revenue Account. The Trustee shall transfer from amounts on deposit in the Series 2018 Revenue Account of the Revenue Fund to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, not later than the Business Day preceding each May 1 and November 1, to the Series 2018 Interest Account of the Debt Service Fund, an amount equal to the interest on the Series 2018 Bonds due on such May 1 or November 1, less any amounts on deposit in the Series 2018 Interest Account not previously credited;

SECOND, no later than the Business Day next preceding each May 1, to the Series 2018 Principal Account of the Debt Service Fund, an amount equal to the principal amount of Series 2018 Bonds Outstanding and maturing on such May 1, if any, less any amounts on deposit in the Series 2018 Principal Account not previously credited;

THIRD, no later than the Business Day next preceding each May 1, to the Series 2018 Sinking Fund Account of the Debt Service Fund, an amount equal to the principal amount of Series 2018 Bonds subject to sinking fund redemption on such May 1, less any amount on deposit in the Series 2018 Sinking Fund Account not previously credited;

FOURTH, upon receipt but no later than the Business Day next succeeding each Interest Payment Date, to the Series 2018 Debt Service Reserve Account an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2018 Debt Service Reserve Requirement;

FIFTH, notwithstanding the foregoing, at any time the Series 2018 Bonds are subject to redemption on a date which is not a May 1 or November 1 Interest Payment Date, the Trustee shall be authorized to transfer to the Series 2018 Interest Account the amount necessary to pay interest on the Series 2018 Bonds subject to redemption on such date; and

SIXTH, subject to the following paragraph, the balance of any moneys remaining after making the foregoing deposits shall remain in the Series 2018 Revenue Account unless pursuant to the Arbitrage Certificate it is necessary to make a deposit into the Rebate Fund, in which case the Issuer shall direct the Trustee in writing to make such deposit thereto.

On or after each November 2, the Trustee shall transfer to the Issuer, at the Issuer's written direction, the balance on deposit in the Series 2018 Revenue Account on such November 2 to be used for any lawful purpose of the Issuer; provided, however, that on the date of such proposed transfer the amount on deposit in the Series 2018 Debt Service Reserve Account shall

be equal to the Series 2018 Debt Service Reserve Requirement and, provided, further, that no notice of an Event of Default under the Indenture has been delivered to the Trustee, including the payment of Trustee's fees and expenses then due.

SECTION 4.03. Power to Issue Series 2018 Bonds and Create Lien. The Issuer is duly authorized under the Act and all applicable laws of the State to issue the Series 2018 Bonds, to execute and deliver the Indenture and to pledge the Pledged Revenues for the benefit of the Series 2018 Bonds to the extent set forth herein. The Pledged Revenues are not and shall not be subject to any other lien senior to or on a parity with the lien created in favor of the Series 2018 Bonds, except for Bonds issued to refund all or a portion of the Series 2018 Bonds. The Series 2018 Bonds and the provisions of the Indenture are and will be valid and legally enforceable obligations of the Issuer in accordance with their respective terms. The Issuer shall, at all times, to the extent permitted by law, defend, preserve and protect the pledge created by the Indenture and all the rights of the Owners of the Series 2018 Bonds under the Indenture against all claims and demands of all persons whomsoever.

SECTION 4.04. Series 2018 Project to Conform to Plans and Specifications; Changes. The Issuer will proceed to complete the Series 2018 Project, as described in the Engineer's Report, in accordance with the plans and specifications therefor, as such plans and specifications may be amended by the Issuer from time to time; provided that prior to any such amendment of the plans and specifications for the Series 2018 Project, the Consulting Engineer shall have delivered its certificate approving the proposed amendment to such plans and specifications.

SECTION 4.05. Prepayments; Removal of Special Assessment Liens.

(a) At any time any owner of property subject to the Series 2018 Special Assessments may, at its option, or under certain circumstances described in the Assessment Resolutions in connection with Prepayments derived from application of the "true-up" mechanism therein, require the Issuer to reduce or release and extinguish the lien upon its property by virtue of the levy of the Series 2018 Special Assessments by paying to the Issuer all or a portion of the Series 2018 Special Assessment which shall constitute Series 2018 Prepayments as directed in writing by the Issuer pursuant to the provisions of Section 4.01(h)(ii) of this First Supplemental Indenture, plus accrued interest to the next succeeding Redemption Date (or the second succeeding Redemption Date if such prepayment is made within forty-five (45) calendar days before a Redemption Date), attributable to the property subject to Series 2018 Special Assessment owned by such owner; provided, however, to the extent that such payments are to be used to redeem Series 2018 Bonds in the event the amount in the Series 2018 Debt Service Reserve Account will exceed the Series 2018 Debt Service Reserve Requirement as a result of a Series 2018 Prepayment in accordance with this Section 4.05(a) and the resulting redemption in accordance with Section 3.01(b)(i) of this First Supplemental Indenture of Series 2018 Bonds, the excess amount above the Series 2018 Debt Service Reserve Requirement shall be transferred from the Series 2018 Debt Service Reserve Account to the Series 2018 Prepayment Account of the Series 2018 Bond Redemption Fund, as a credit against the Series 2018

Prepayment otherwise required to be paid by the owner of such lot or parcel, upon written instructions of the Issuer together with a certificate of a Responsible Officer of the Issuer stating that, after giving effect to such transfers sufficient moneys will be on deposit in the Series 2018 Debt Service Reserve Account to equal or exceed the Series 2018 Debt Service Reserve Requirement and accompanied by cash flows which demonstrate that, after giving effect to the proposed redemption of Series 2018 Bonds, there will be sufficient Pledged Revenues to pay the principal and interest, when due, on all Series 2018 Bonds that will remain Outstanding. The written instructions shall be delivered to the Trustee on the 46th day prior to a Redemption Date.

(b) Upon receipt of Series 2018 Prepayments as described in paragraph (a) above, which includes accrued interest to the next succeeding Redemption Date (or the second succeeding Redemption Date if such prepayment is made within forty-five (45) calendar days before a Redemption Date), subject to satisfaction of the conditions set forth therein, the Issuer shall immediately pay the amount so received to the Trustee and clearly identify in writing such amounts as a Series 2018 Prepayment and the Issuer shall take such action as is necessary to record in the official records of the County an affidavit or affidavits, as the case may be, executed by the District Manager, to the effect that the Series 2018 Special Assessment has been paid in whole or in part and that such Series 2018 Special Assessment lien is thereby reduced, or released and extinguished, as the case may be. Upon receipt of any such moneys from the Issuer the Trustee shall immediately deposit the same into the Series 2018 Prepayment Account of the Series 2018 Bond Redemption Fund to be applied in accordance with Section 4.01(h)(ii) of this First Supplemental Indenture, to the redemption of Series 2018 Bonds in accordance with Section 3.01(b)(i) of this First Supplemental Indenture.

The Trustee may conclusively rely on the Issuer's determination of what moneys constitute Prepayments. The Trustee shall calculate the amount available for the extraordinary mandatory redemption of the applicable Series 2018 Bonds pursuant to Section 3.01(b)(i) of this First Supplemental Indenture on each March 15, June 15, September 15 and December 15.

## **ARTICLE V**

### **ADDITIONAL COVENANTS OF THE ISSUER**

SECTION 5.01. Collection of Series 2018 Special Assessments. Notwithstanding Section 9.04 of the Master Trust Indenture, the Series 2018 Special Assessments shall be directly collected and enforced by the Issuer pursuant to the provisions of the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto; provided, however, Series 2018 Special Assessments levied on platted lots not owned by the Developer or the Master Landowner and pledged hereunder to secure the Series 2018 Bonds will be collected pursuant to the Uniform Method pursuant to Section 9.04 of the Master Trust Indenture. The

Issuer covenants to enter into a Property Appraiser and Tax Collector Agreement with the County in order to comply with the provisions of this Section.

Notwithstanding the immediately preceding paragraph or any other provision in the Indenture to the contrary, upon the occurrence of an Event of Default, if the Trustee, acting at the written direction of the Majority Owners of the Series 2018 Bonds, requests that the Issuer not use the Uniform Method, but instead collect and enforce Series 2018 Special Assessments pursuant to another available method under the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto, then the Issuer shall collect and enforce said Series 2018 Special Assessments in the manner and pursuant to the method so requested by the Trustee.

Any Series 2018 Special Assessments that are not collected pursuant to the Uniform Method shall be billed directly to the applicable landowner and be payable not later than thirty (30) days prior to each Interest Payment Date.

SECTION 5.02. Additional Covenant Regarding Series 2018 Special Assessments. In addition to, and not in limitation of, the covenants contained elsewhere in the Indenture, the Issuer covenants to comply with the terms of the proceedings heretofore adopted with respect to the Series 2018 Special Assessments, including the Assessment Resolution and the Assessment Methodology, and to levy the Series 2018 Special Assessments and any required true-up payments set forth in the Assessment Methodology, in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2018 Bonds, when due.

SECTION 5.03. Foreclosure of Assessment Lien. Notwithstanding Section 9.06 of the Master Indenture or any other provision of the Indenture to the contrary, the following provisions shall apply with respect to the Series 2018 Special Assessments and Series 2018 Bonds.

If any property shall be offered for sale for the nonpayment of any Series 2018 Special Assessment and no person or persons shall purchase such property for an amount equal to the full amount due on the Series 2018 Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the property may then be purchased by the District for an amount equal to the balance due on the Series 2018 Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the District and the District shall receive in its corporate name or in the name of a special purpose entity title to the property for the benefit of the Owners of the Series 2018 Bonds; provided that the Trustee shall have the right, acting at the written direction of the Majority Owners of the Series 2018 Bonds, but shall not be obligated, to direct the District with respect to any action taken pursuant to this Section. The District, either through its own actions, or actions caused to be taken through the Trustee, shall have the power and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the related Series 2018 Revenue Account. The District, either through its own actions, or actions caused to be taken through the Trustee, agrees that it shall be required to take the measures provided by law for sale of property acquired by it as

trustee for the Owners of the Series 2018 Bonds within sixty (60) days after the receipt of the request therefor signed by the Trustee or the Majority Owners of the Series 2018 Bonds.

SECTION 5.04. No Parity Bonds; Limitation on Parity Liens. The Issuer covenants and agrees that so long as there are any Series 2018 Bonds Outstanding, it shall not cause or permit to be caused any lien, charge or claim against the Pledged Revenues, except for refunding bonds. The Issuer further covenants and agrees that so long as the Series 2018 Special Assessments have not been Substantially Absorbed, it shall not issue any Bonds secured by Special Assessments for capital projects on lands subject at such time to the Series 2018 Special Assessments without the consent of the Majority Owners; provided, however, that the foregoing shall not preclude the imposition of Special Assessments for capital projects necessary for health, safety, and welfare reasons, to remediate a natural disaster, or imposed prior to the issuance of the Series 2018 Bonds. The Trustee shall be entitled to assume that the Series 2018 Special Assessments have not been Substantially Absorbed absent the written certification to the contrary from the Issuer.

SECTION 5.05. Acknowledgment Regarding Series 2018 Acquisition and Construction Account Moneys Following an Event of Default. In accordance with the provisions of the Indenture, upon the occurrence of an Event of Default with respect to the Series 2018 Bonds, the Series 2018 Bonds are payable solely from the Pledged Revenues and any other moneys held by the Trustee under the Indenture for such purpose. Anything in the Indenture to the contrary notwithstanding, the Issuer hereby acknowledges that, upon the occurrence of an Event of Default with respect to the Series 2018 Bonds, (i) the Pledged Revenues include, without limitation, all amounts on deposit in the Series 2018 Acquisition and Construction Account of the Acquisition and Construction Fund then held by the Trustee, (ii) the Pledged Revenues may not be used by the Issuer (whether to pay Costs of the Series 2018 Project or otherwise) without the consent of the Majority Owners of the Series 2018 Bonds and (iii) the Pledged Revenues may be used by the Trustee, at the written direction or with the written approval of the Majority Owners of the Series 2018 Bonds, to pay costs and expenses incurred in connection with the pursuit of remedies under the Indenture or as otherwise provided in the Master Indenture.

SECTION 5.06. Enforcement of True-Up Agreements. The District, either through its own actions, or actions caused to be taken through the Trustee, covenants that it shall strictly enforce all of the provisions of the True-Up Agreements, and, upon the occurrence and continuance of a default under such Agreements, the District covenants and agrees that the Trustee, at the written direction of the Majority Owners of the Series 2018 Bonds shall act on behalf of, and in the District's stead, to enforce the provisions of such Agreements and to pursue all available remedies under applicable law or in equity. Anything herein or in the Master Indenture to the contrary notwithstanding, failure of the District to enforce, or permit the Trustee to enforce in its stead, all of the provisions of the True-Up Agreements upon demand of the Majority Owners of the Series 2018 Bonds, or the Trustee at the written direction of the Majority Owners of the Series 2018 Bonds, shall constitute an Event of Default under the Indenture without benefit of any period for cure.

SECTION 5.07. Assignment of District's Rights Under Collateral Assignments. The District hereby assigns its rights under the Collateral Assignments to the Trustee for the benefit of the Owners, from time to time, of Bonds Outstanding under the Indenture. The Trustee shall act in accordance with the written directions of the Majority Owners of the Series 2018 Bonds.

## ARTICLE VI

### MISCELLANEOUS PROVISIONS

SECTION 6.01. Interpretation of Supplemental Indenture. This First Supplemental Indenture amends and supplements the Master Indenture with respect to the Series 2018 Bonds, and all of the provisions of the Master Indenture, to the extent not inconsistent herewith, are incorporated in this First Supplemental Indenture by reference. To the maximum extent possible, the Master Indenture and the Supplemental Indenture shall be read and construed as one document.

SECTION 6.02. Amendments. Any amendments to this First Supplemental Indenture shall be made pursuant to the provisions for amendment contained in the Master Indenture.

SECTION 6.03. Counterparts. This First Supplemental Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION 6.04. Appendices and Exhibits. Any and all schedules, appendices or exhibits referred to in and attached to this First Supplemental Indenture are hereby incorporated herein and made a part of this First Supplemental Indenture for all purposes.

SECTION 6.05. Payment Dates. In any case in which an Interest Payment Date, principal payment date or the maturity date of the Series 2018 Bonds or the date fixed for the redemption of any Series 2018 Bonds shall be other than a Business Day, then payment of interest, principal or Redemption Price need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the due date, and no interest on such payment shall accrue for the period after such due date if payment is made on such next succeeding Business Day.

SECTION 6.06. No Rights Conferred on Others. Nothing herein contained shall confer any right upon any Person other than the parties hereto and the Holders of the Series 2018 Bonds.

[Remainder of page intentionally left blank]

**IN WITNESS WHEREOF**, Del Webb Bexley Community Development District has caused this First Supplemental Trust Indenture to be executed by the Chair of its Board of Supervisors and its corporate seal to be hereunto affixed and attested by an Assistant Secretary of its Board of Supervisors and U.S. Bank National Association has caused this First Supplemental Trust Indenture to be executed by a Vice President, all as of the day and year first above written.

**SEAL**

**DEL WEBB BEXLEY COMMUNITY  
DEVELOPMENT DISTRICT**

Attest:

By: \_\_\_\_\_  
Chair, Board of Supervisors

\_\_\_\_\_  
Assistant Secretary,  
Board of Supervisors

**U.S. BANK NATIONAL ASSOCIATION,  
as Trustee**

By: \_\_\_\_\_  
Vice President

*In the opinion of Bond Counsel, assuming compliance by the District with certain covenants, under existing statutes, regulations, and judicial decisions, the interest on the Series 2018 Bonds will be excluded from gross income for federal income tax purposes of the holders thereof and will not be an item of tax preference for purposes of the federal alternative minimum tax. However, interest on the Series 2018 Bonds shall be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations for taxable years that begin prior to January 1, 2018. The alternative minimum tax on corporations was repealed for taxable years beginning on and after January 1, 2018. See "TAX MATTERS" herein for a description of other tax consequences to holders of the Series 2018 Bonds.*

**DEL WEBB BEXLEY COMMUNITY DEVELOPMENT DISTRICT  
(Pasco County, Florida)**

**\$10,180,000  
Special Assessment Bonds,  
Series 2018**

**Dated: Date of delivery**

**Due: May 1, as shown below**

The \$10,180,000 Del Webb Bexley Community Development District Special Assessment Bonds, Series 2018 (the "Series 2018 Bonds") are being issued by the Del Webb Bexley Community Development District (the "District") pursuant to a Master Trust Indenture dated as of October 1, 2018 (the "Master Indenture"), between the District and U.S. Bank National Association, as trustee (the "Trustee"), as supplemented by a First Supplemental Trust Indenture dated as of October 1, 2018, between the District and the Trustee (the "First Supplement" and, together with the Master Indenture, the "Indenture"). The Series 2018 Bonds are being issued initially in the form of a separate single certificated fully registered bond for each maturity thereof, in denominations of \$5,000 or any integral multiple thereof; provided, however, that delivery of the Series 2018 Bonds to the initial purchasers thereof shall be in principal amounts of \$100,000 or integral multiples of \$5,000 in excess of \$100,000. The District was created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended, the Florida Constitution, and other applicable provisions of law (collectively, the "Act") and Ordinance No. 17-39, effective as of October 30, 2017, by the Board of County Commissioners of Pasco County, Florida.

The Series 2018 Bonds are payable from and secured by the Pledged Revenues, which consist primarily of the revenues received by the District from the Series 2018 Special Assessments levied initially against all gross unplatted property within the District and ultimately allocated to the planned 850 residential units in the District. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2018 BONDS" herein. See also APPENDIX B – ASSESSMENT REPORT.

The Series 2018 Bonds, when issued, will be registered in the name of Cede & Co., as the owner and nominee for The Depository Trust Company ("DTC"), New York, New York. Purchases of beneficial interests in the Series 2018 Bonds will be made in book-entry only form. Accordingly, principal of and interest on the Series 2018 Bonds will be paid from the sources provided below by the Trustee directly to Cede & Co. as the nominee of DTC and the registered owner thereof. Disbursements of such payments to the DTC Participants is the responsibility of DTC and disbursements of such payments to the beneficial owners is the responsibility of DTC Participants and the Indirect Participants, as more fully described herein. Any purchaser as a beneficial owner of a Series 2018 Bond must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of the principal of and interest on such Series 2018 Bond. See "DESCRIPTION OF THE SERIES 2018 BONDS - Book-Entry Only System" herein. The Series 2018 Bonds will bear interest at the fixed rates set forth herein, calculated on the basis of a 360-day year comprised of twelve thirty-day months. Interest on the Series 2018 Bonds is payable semi-annually on each May 1 and November 1, commencing May 1, 2019.

Some or all of the Series 2018 Bonds are subject to optional, mandatory and extraordinary mandatory redemption at the times, in the amounts and at the redemption prices as more fully described herein.

The Series 2018 Bonds are being issued to: (i) finance the Cost of acquiring, constructing and equipping assessable improvements comprising a portion of the District's Capital Improvement Plan (as defined herein); (ii) pay certain costs associated with the issuance of the Series 2018 Bonds; (iii) make a deposit into the Series 2018 Debt Service Reserve Account which account will be held for the benefit of all of the Series 2018 Bonds, without privilege or priority of one Series 2018 Bond over another; and (iv) pay the interest to become due on the Series 2018 through May 1, 2020.

THE SERIES 2018 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY OUT OF PLEDGED REVENUES PLEDGED THEREFOR UNDER THE INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE DISTRICT, PASCO COUNTY, FLORIDA, THE STATE OF FLORIDA, NOR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2018 BONDS. HOWEVER, THE DISTRICT IS OBLIGATED UNDER THE INDENTURE TO LEVY AND COLLECT, SERIES 2018 SPECIAL ASSESSMENTS TO SECURE AND PAY THE SERIES 2018 BONDS. THE SERIES 2018 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, PASCO COUNTY, FLORIDA, THE STATE OF FLORIDA, NOR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION.

THE SERIES 2018 BONDS INVOLVE A DEGREE OF RISK (SEE "BONDOWNERS' RISKS" HEREIN) AND ARE NOT SUITABLE FOR ALL INVESTORS. PURSUANT TO APPLICABLE FLORIDA LAW, THE UNDERWRITER IS LIMITING THIS INITIAL OFFERING OF THE SERIES 2018 BONDS TO ACCREDITED INVESTORS WITHIN THE MEANING OF THE RULES OF THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES. THE LIMITATION ON THE INITIAL OFFERING TO ACCREDITED INVESTORS DOES NOT DENOTE RESTRICTIONS ON TRANSFER IN ANY SECONDARY MARKET FOR THE SERIES 2018 BONDS. THE SERIES 2018 BONDS ARE NOT RATED OR CREDIT ENHANCED AND NO APPLICATION HAS BEEN MADE FOR A RATING OR CREDIT ENHANCEMENT WITH RESPECT TO THE SERIES 2018 BONDS. SEE "SUITABILITY FOR INVESTMENT" AND "BONDOWNERS' RISKS" HEREIN.

**For the reasons more fully described herein under "BONDOWNERS' RISKS" there is a risk that the District may be determined, either by the Internal Revenue Service (the "IRS"), judicially or otherwise, not to be a political subdivision for purposes of the Internal Revenue Code of 1986, as amended and, correspondingly, that the IRS may make an adverse determination with respect to the tax-exempt status of interest on the Series 2018 Bonds. See "BONDOWNERS' RISKS" herein.**

This cover page contains information for quick reference only. It is not a summary of the Series 2018 Bonds. Investors must read the entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

AMOUNTS, INTEREST RATES, MATURITIES, PRICES  
AND INITIAL CUSIP NUMBERS

\$500,000	4.200%	Term Series 2018 Bond Due May 1, 2023	- Price: 100.000 - CUSIP No. 245508AA4*
\$1,000,000	4.625%	Term Series 2018 Bond Due May 1, 2028	- Price: 100.000 - CUSIP No. 245508AB2*
\$3,350,000	5.300%	Term Series 2018 Bond Due May 1, 2039	- Price: 100.000 - CUSIP No. 245508AC0*
\$5,330,000	5.400%	Term Series 2018 Bond Due May 1, 2049	- Price: 100.000 - CUSIP No. 245508AD8*

*The Series 2018 Bonds are offered for delivery when, as and if issued by the District and accepted by MBS Capital Markets, LLC, the Underwriter, subject to prior sale, withdrawal or modification of the offer without notice and the receipt of the opinion of Bryant Miller Olive P.A., Tallahassee, Florida, Bond Counsel, as to the validity of the Series 2018 Bonds and the excludability of interest thereon from gross income for federal income tax purposes. Certain legal matters will be passed upon for the District by its counsel, Hopping Green & Sams, P.A., Tallahassee, Florida, for the Developer by its counsel, Burr & Forman LLP, Tampa, Florida, for the Master Landowner by its counsel, Feldman & Mahoney, P.A., Clearwater, Florida, for the Trustee by its counsel, Holland & Knight LLP, Miami, Florida and for the Underwriter by its counsel, Bryant Miller Olive P.A., Orlando, Florida. It is expected that the Series 2018 Bonds will be available for delivery through the facilities of The Depository Trust Company in New York, New York on or about October 26, 2018.*

**MBS CAPITAL MARKETS, LLC**

Dated: October 17, 2018

\* The District is not responsible for the use of CUSIP numbers, nor is a representation made as to their correctness. The CUSIP numbers are only included solely for the convenience of the readers of this Limited Offering Memorandum and may be changed after the issuance of the Series 2018 Bonds.

**DEL WEBB BEXLEY COMMUNITY DEVELOPMENT DISTRICT**

**BOARD OF SUPERVISORS**

Aaron Baker\*, Chair  
Jessica Robinson\*, Vice Chair  
Brady Lefere†, Assistant Secretary  
Doug South\*, Assistant Secretary  
Rick Stevens\*, Assistant Secretary

**DISTRICT MANAGER**

Rizzetta & Company, Incorporated  
Wesley Chapel, Florida

**METHODOLOGY CONSULTANT**

Rizzetta & Company, Incorporated  
Wesley Chapel, Florida

**DISTRICT COUNSEL**

Hopping Green & Sams, P.A.  
Tallahassee, Florida

**DISTRICT ENGINEER**

Clearview Land Design, P.L.  
Tampa, Florida

**BOND COUNSEL**

Bryant Miller Olive P.A.  
Tallahassee, Florida

---

\* Employees of Newland Real Estate Group, LLC.

† Employee of an affiliate of Developer.

## REGARDING USE OF THIS LIMITED OFFERING MEMORANDUM

No dealer, broker, salesman or other person has been authorized by the District, the State of Florida or the Underwriter to give any information or to make any representations other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Limited Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2018 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the District, the District Manager, the Developer, the Master Landowner, the District Engineer, the Methodology Consultant and other sources that are believed by the Underwriter to be reliable. The Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with and, as part of its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The District, the Developer, the Master Landowner, the District Engineer and the Methodology Consultant will, at closing, deliver certificates certifying that certain of the information each supplied does not contain any untrue statement of a material fact or omit to state a material fact required to be stated herein or necessary to make the statements herein, in light of the circumstances under which they were made, not misleading. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change with respect to the matters described herein since the date hereof.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2018 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE UNDERWRITER IS LIMITING THIS OFFERING TO ACCREDITED INVESTORS WITHIN THE MEANING OF THE RULES OF THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES. HOWEVER, THE LIMITATION ON THE INITIAL OFFERING TO ACCREDITED INVESTORS DOES NOT DENOTE RESTRICTIONS ON TRANSFER IN ANY SECONDARY MARKET FOR THE SERIES 2018 BONDS.

THE SERIES 2018 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON CERTAIN EXEMPTIONS SET FORTH IN SUCH ACTS. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE SERIES 2018 BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF ANY JURISDICTIONS WHEREIN THESE SECURITIES HAVE BEEN OR WILL BE REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF BY SUCH JURISDICTIONS. NEITHER THE DISTRICT, PASCO COUNTY, FLORIDA, THE STATE OF FLORIDA NOR ANY OTHER POLITICAL SUBDIVISION OR AGENCY THEREOF HAS GUARANTEED OR PASSED UPON THE MERITS OF THE SERIES 2018 BONDS OR UPON THE PROBABILITY OF ANY EARNINGS THEREON. OTHER THAN THE DISTRICT, NEITHER PASCO COUNTY, FLORIDA, THE STATE OF FLORIDA, NOR ANY OTHER POLITICAL SUBDIVISION THEREOF HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS LIMITED OFFERING MEMORANDUM.

THIS LIMITED OFFERING MEMORANDUM, IS NOT, AND SHALL NOT BE DEEMED TO CONSTITUTE, AN OFFER TO SELL, OR THE SOLICITATION OF AN OFFER TO BUY, REAL ESTATE, WHICH MAY ONLY BE MADE PURSUANT TO OFFERING DOCUMENTS SATISFYING APPLICABLE FEDERAL AND STATE LAWS RELATING TO THE OFFER AND SALE OF REAL ESTATE.

"FORWARD-LOOKING STATEMENTS" ARE USED IN THIS DOCUMENT BY USING FORWARD LOOKING WORDS SUCH AS "MAY," "WILL," "SHOULD," "INTENDS," "EXPECTS," "BELIEVES," "ANTICIPATES," "ESTIMATES," OR OTHER SIMILAR WORDS. THE READER IS CAUTIONED THAT FORWARD-LOOKING STATEMENTS ARE SUBJECT TO A VARIETY OF UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER FROM THE PROJECTED RESULTS. THOSE RISKS AND UNCERTAINTIES INCLUDE GENERAL ECONOMIC AND BUSINESS CONDITIONS, CONDITIONS IN THE FINANCIAL MARKETS AND REAL ESTATE MARKET, THE DISTRICT'S COLLECTION OF ASSESSMENTS, AND VARIOUS OTHER FACTORS WHICH MAY BE BEYOND THE DISTRICT'S, THE MASTER LANDOWNER'S AND THE DEVELOPER'S CONTROL. BECAUSE THE DISTRICT, THE MASTER LANDOWNER AND THE DEVELOPER CANNOT PREDICT ALL FACTORS THAT MAY AFFECT FUTURE DECISIONS, ACTIONS, EVENTS, OR FINANCIAL CIRCUMSTANCES, WHAT ACTUALLY HAPPENS MAY BE DIFFERENT FROM WHAT IS INCLUDED IN FORWARD-LOOKING STATEMENTS.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT, THE MASTER LANDOWNER AND THE DEVELOPER DO NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE" HEREIN.

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APPENDIX D –	FORM OF OPINION OF BOND COUNSEL
APPENDIX E –	FORM OF CONTINUING DISCLOSURE AGREEMENT

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## LIMITED OFFERING MEMORANDUM

*relating to*

### DEL WEBB BEXLEY COMMUNITY DEVELOPMENT DISTRICT (Pasco County, Florida)

**\$10,180,000**  
**Special Assessment Bonds,**  
**Series 2018**

### INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page and appendices hereto, is to set forth certain information concerning the Del Webb Bexley Community Development District (the "District"), in connection with the offering and issuance of its Del Webb Bexley Community Development District Special Assessment Bonds, Series 2018 (the "Series 2018 Bonds"). The District was created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended, the Florida Constitution, and other applicable provisions of law (collectively, the "Act"), and Ordinance No. 17-39, effective on October 30, 2017, by the Board of County Commissioners of Pasco County, Florida (the "Commission"). The Series 2018 Bonds are being issued pursuant to the Act and a Master Trust Indenture dated as of October 1, 2018 (the "Master Indenture") between the District and U.S. Bank National Association, as trustee (the "Trustee"), as supplemented by a First Supplemental Trust Indenture dated as of October 1, 2018, between the District and the Trustee (the "First Supplement" and, together with the Master Indenture, the "Indenture") and Resolution Nos. 2018-31 and 2018-40 adopted by the District (collectively, the "Bond Resolution"). All capitalized terms used in this Limited Offering Memorandum that are defined in the Indenture and not defined herein shall have the respective meanings set forth in the forms of the Master Indenture or First Supplement, both of which appear as composite APPENDIX C attached hereto. The information contained in this Introduction is part of this Limited Offering Memorandum and is subject in all respects to the more complete information contained in or incorporated into this Limited Offering Memorandum. This Introduction should not be considered a complete statement of the facts material to making an investment decision. This Limited Offering Memorandum speaks only as of its date and the information contained herein is subject to change.

THE SERIES 2018 BONDS ARE NOT RATED OR CREDIT ENHANCED, AND ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS (SEE "SUITABILITY FOR INVESTMENT" AND "BONDOWNERS' RISKS" HEREIN).

The District was established for the purposes, among other things, of financing and managing the planning, acquisition, construction, maintenance and operation of the infrastructure necessary for community development in the development known as Del Webb Bexley (the "Development"). The Act authorizes the District to issue bonds for the purposes, among others, of financing, funding, planning, establishing, acquiring, constructing or reconstructing, enlarging or extending, equipping, operating and maintaining water management, water supply, sewer and wastewater management, bridges or culverts, district roads, street lights and other basic infrastructure projects within or without the boundaries of the District, as provided in the Act.

Consistent with the requirements of the Indenture and the Act, the Series 2018 Bonds are being issued for the primary purpose of paying a portion of the costs of the Capital Improvement Plan ("CIP") adopted by the District and described in "THE CAPITAL IMPROVEMENT PLAN" herein and "APPENDIX A – REPORT OF DISTRICT ENGINEER" attached hereto. The CIP includes, among other things, stormwater improvements, roadway improvements, water/wastewater/reclaim water improvements, landscape and hardscape improvements, electric and street lighting improvements, and wetland mitigation. Proceeds of the Series 2018 Bonds will be utilized to acquire and construct a portion of the CIP (such portion is sometimes referred to herein as the "Series 2018 Project"), pay certain costs associated with the issuance of the Series 2018 Bonds, make a deposit into the Series 2018 Debt Service Reserve Account for the benefit of all of the Series 2018 Bonds in an amount equal to the Series 2018 Debt Service Reserve Requirement and fund a portion of the interest to come due on the Series 2018 Bonds.

The Series 2018 Bonds are payable from and secured by the Pledged Revenues which primarily include the revenues received by the District from the Series 2018 Special Assessments (as defined in the Indenture). Series 2018 Special Assessments will be levied and collected on all of the lands in the District (the "Assessment Area") since such lands are specially benefited by the Series 2018 Project. See "APPENDIX B – ASSESSMENT REPORT" attached hereto.

The Series 2018 Special Assessments represent an allocation of the costs of the Series 2018 Project, including bond financing costs, to the Assessment Area in accordance with the Amended and Restated Master Special Assessment Allocation Report (the "Master Report"), as supplemented by the Final Supplemental Special Assessment Allocation Report (the "Supplemental Report," and together with the Master Report, the "Assessment Report") prepared by Rizzetta & Company, Incorporated (in such capacity, the "Methodology Consultant") and attached hereto as APPENDIX B. See "ASSESSMENT METHODOLOGY" herein.

The District has covenanted and agreed in the Indenture that so long as there are any Series 2018 Bonds Outstanding, it shall not cause or permit to be caused any lien, charge or claim against the Pledged Revenues, except for refunding bonds. The District further covenants and agrees that so long as the Series 2018 Special Assessments have not been Substantially Absorbed, it shall not issue Bonds secured by Special Assessments for capital projects on lands subject at such time to the Series 2018 Special Assessments without the consent of the Majority Owners; provided, however that the foregoing shall not preclude the imposition of Special Assessments for capital projects necessary for health, safety and welfare reasons, to remediate a natural disaster, or imposed prior to the issuance of the Series 2018 Bonds. "Substantially Absorbed" means the date on which a principal amount of Series 2018 Special Assessments equaling ninety percent (90%) of the then Outstanding principal amount of the Series 2018 Bonds are levied on the District Lands with respect to which a certificate of occupancy has been issued for a structure thereon.

There follows in this Limited Offering Memorandum a brief description of the District, the CIP, the Development, NNP-Bexley, LLC, a Florida limited liability company (the "Master Landowner"), and Pulte Home Company, LLC (the "Developer"), together with summaries of the terms of the Indenture, the Series 2018 Bonds and certain provisions of the Act. All references herein to the Indenture and the Act are qualified in their entirety by reference to such documents or statutes and all references to the Series 2018 Bonds are qualified by reference to the form thereof and the information with respect thereto contained in the Indenture. Forms of the Master Indenture and the First Supplement are attached hereto as composite APPENDIX C. The information herein under the captions "THE MASTER LANDOWNER," "THE DEVELOPER," and "THE DEVELOPMENT" has been furnished by the Master Landowner and the Developer, as applicable, and has been included herein without independent investigation by the District

or District Counsel, Bond Counsel, or the Underwriter or its counsel, and the District and the Underwriter make no representation or warranty concerning the accuracy or completeness of such information. The Master Landowner and the Developer make no representation or warranty as to the accuracy or completeness of information contained herein which has been furnished by any party to the transactions contemplated hereby other than the Master Landowner or Developer, as applicable.

## **SUITABILITY FOR INVESTMENT**

While the Series 2018 Bonds are not subject to registration under the Securities Act of 1933, as amended (the "Securities Act"), the Underwriter has determined that the Series 2018 Bonds are not suitable for investment by persons other than, and, as required by Chapter 189, Florida Statutes, will offer the Series 2018 Bonds only to, "accredited investors," within the meaning of Chapter 517, Florida Statutes, and the rules promulgated thereunder. However, the limitation of the initial offering to Accredited Investors does not denote restrictions on transfers in any secondary market for the Series 2018 Bonds. Prospective investors in the Series 2018 Bonds should have such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Series 2018 Bonds and should have the ability to bear the economic risks of such prospective investment, including a complete loss of such investment.

Investment in the Series 2018 Bonds poses certain economic risks. No dealer, broker, salesman or other person has been authorized by the District or the Underwriter to give any information or make any representations, other than those contained in this Limited Offering Memorandum.

## **THE DISTRICT**

### **General**

The District was established pursuant to the Ordinance. The District is an independent local unit of special-purpose government created in accordance with Act. The District encompasses approximately 428 acres (the "District Lands").

### **Legal Powers and Authority**

The Act provides a uniform method for the establishment of community development districts to manage and finance basic community development services, including capital infrastructure required for community developments throughout the State of Florida. The Act provides legal authority for community development districts (such as the District) to finance the acquisition, construction, operation and maintenance of the major infrastructure for community development.

As a community development district, the District only has those powers specifically delegated to it by the Act and the Ordinance, or necessarily implied from powers specifically delegated to it. The Act provides that community development districts have the power to issue general obligation, revenue and special assessment revenue debt obligations in any combination to pay all or part of the cost of infrastructure improvements authorized under the Act. The Act further provides that community development districts have the power under certain conditions to levy and assess ad valorem assessments or non-ad valorem assessments, including the Series 2018 Special Assessments, on all taxable real and tangible personal property within their boundaries to pay the principal of and interest on debt obligations

issued and to provide for any sinking or other funds established in connection with any such debt obligation issues. Pursuant to the Act, such assessments may be assessed, levied, collected and enforced in the same manner and time as county property taxes.

Among other provisions, the Act gives the District's Board of Supervisors the authority to (a) finance, fund, plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate and maintain systems and facilities for: (i) water management and control for lands within the District and to connect any of such facilities with roads and bridges; (ii) water supply, sewer and wastewater management reclamation and re-use systems or any combination thereof and to construct and operate connecting intercept or outlet sewers and sewer mains and pipes and water mains, conduits, or pipelines in, along, and under any street, alley, highway, or other public place or ways, and to dispose of any effluent, residue, or other byproducts of such system or sewer system; (iii) District roads equal to or exceeding the applicable specifications of the county in which such District roads are located; and (iv) with the consent of the local general-purpose government within the jurisdiction of which the power is to be exercised, parks and facilities for indoor and outdoor recreational uses and security; (b) borrow money and issue bonds of the District; (c) levy and collect special assessments; (d) impose and foreclose special assessment liens as provided in the Act; and (e) exercise all other powers, necessary, convenient, incidental or proper in connection with any of the powers or duties of the District authorized by the Act.

The Act does not empower the District to adopt and enforce land use plans or zoning ordinances, and the Act does not empower the District to grant building permits.

Section 190.044 of the Act provides that all property owned by the District shall be exempt from levy and sale by virtue of an execution and from judgment liens, but does not limit the right of any owner of bonds of the District to pursue any remedy for enforcement of any lien or pledge of the District in connection with such bonds, including the Series 2018 Bonds.

### **Board of Supervisors**

The governing body of the District is its Board of Supervisors (the "Board"), which is composed of five Supervisors (the "Supervisors"). Ownership of the land within the District initially entitles the owner to elect Supervisors to the Board based on a one vote per acre basis (with fractions thereof rounded upward to the nearest whole number). Upon six (6) years after the initial appointment of Supervisors and the year in which there are at least 250 qualified electors in the District, or such earlier time as the Board may decide to exercise its ad valorem taxing power, the Supervisors are elected (as their terms expire) by vote of the qualified electors of the District at an election held at the general election in November. A qualified elector is a registered voter, a resident of the District and the State of Florida and a citizen of the United States. Currently, all Supervisors have been elected by the landowners and are affiliated with either the Master Landowner or the Developer. At the election where Supervisors are first elected by qualified electors, two Supervisors must be qualified electors and be elected by qualified electors to four-year terms. The remaining Supervisor whose term is expiring will be elected by landowners for a four-year term. Thereafter, as terms expire, all Supervisors must be qualified electors and be elected by qualified electors to serve staggered terms. The Act provides that it shall not be an impermissible conflict of interest under Chapter 112 of the Florida Statutes for a Supervisor to be a stockholder, officer or employee of an owner of the land within the District.

The current members of the Board and their respective term commencement and expiration dates are set forth below.

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Aaron Baker*	Chair	11/2022
Jessica Robinson*	Vice Chair	11/2020
Brady Lefere†	Assistant Secretary	11/2020
Doug South*	Assistant Secretary	11/2022
Rick Stevens*	Assistant Secretary	11/2020

The Act empowers the Board of Supervisors to adopt administrative rules and regulations with respect to any projects of the District, and to enforce penalties for the violation of such rules and regulations. The Act permits the Board of Supervisors to levy taxes under certain conditions, and to levy special assessments, and to charge, collect and enforce fees and user charges for use of District facilities.

### **District Manager and Other Consultants**

The Act authorizes the Board to hire a District Manager as the chief administrative official of the District. The Act provides that the District Manager shall have charge and supervision of the works of the District and shall be responsible for (i) preserving and maintaining any improvement or facility constructed or erected pursuant to the provisions of the Act, (ii) maintaining and operating the equipment owned by the District, and (iii) performing such other duties as may be prescribed by the Board.

The District has hired Rizzetta & Company, Incorporated to serve as District Manager (in such capacity, the "District Manager"). The District Manager's office is located at 5844 Old Pasco Road, Suite 100, Wesley Chapel, Florida 33544 and its telephone number is (813) 994-1001.

The District Manager's typical responsibilities can briefly be summarized as overseeing directly and coordinating the planning, financing, purchasing, staffing, reporting and governmental liaison for the District. The District Manager's responsibilities include requisitioning moneys to pay construction contracts and the related accounting and reporting that is required by the Indenture.

The Act further authorizes the Board to hire such employees and agents as it deems necessary. Thus, the District has employed the services of Bryant Miller Olive P.A., Tallahassee, Florida, as Bond Counsel; Hopping, Green & Sams, Tallahassee, Florida, as District Counsel; and Rizzetta & Company, Incorporated, as Methodology Consultant.

### **THE CAPITAL IMPROVEMENT PLAN**

Reference is made to "APPENDIX A – Report of District Engineer" for a detailed description of the Capital Improvement Plan (the "CIP") which is estimated to cost approximately \$29.2 million. The CIP includes, but is not limited to, public roadways, water, wastewater, reclaimed water, storm water

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\* Employee of Newland Real Estate Group, LLC.

† Employee of an affiliate of Developer.

management, drainage, landscape, hardscape, utilities, wetland mitigation, and associated professional fees and contingency. The estimated total costs of the CIP are provided below.

	<u>OFFSITE ROADWAYS</u>	<u>PARCEL IMPROVEMENTS</u>	<u>TOTAL</u>
STORMWATER, DRAINAGE & EARTHWORK	\$2,160,000.00	\$7,700,000.00	\$9,860,000.00
ROADWAYS & PAVING	\$1,800,000.00	-	\$1,800,000.00
WATER, WASTEWATER & RECLAIMED WATER	\$540,000.00	\$6,500,000.00	\$7,040,000.00
LANDSCAPE & HARDSCAPE	-	\$2,500,000.00	\$2,500,000.00
POWER & STREET LIGHTS	\$500,000.00	\$1,500,000.00	\$2,000,000.00
WETLAND MITIGATION	\$500,000.00	-	\$500,000.00
SUBTOTAL	\$5,500,000.00	\$18,200,000.00	\$23,700,000.00
PROFESSIONAL SERVICES (7%):	\$385,000.00	\$1,274,000.00	\$1,659,000.00
CONTINGENCY (15%):	<u>\$882,750.00</u>	<u>\$2,921,100.00</u>	<u>\$3,803,850.00</u>
TOTAL:	\$6,767,750.00*	\$22,395,100.00	\$29,162,850.00

\* District Engineer and Master Landowner estimate the actual final costs of the Offsite Roadways to be approximately \$5.45 million based upon contract amounts.

The costs for the Offsite Roadways provided above specifically include improvements to Sunlake Boulevard and the Sunlake Boulevard/Tower Road intersection, which are the development responsibility of the Master Landowner (hereinafter defined), as more fully described under the heading "THE DEVELOPMENT – Purchase Agreement." The Sunlake Boulevard portion of the Offsite Roadways are substantially complete with final completion anticipated for October 2018. As footnoted, the District Engineer and Master Landowner have reduced the estimated costs based upon the actual contract amounts. The remainder of the CIP consisting of the Parcel Improvements is the responsibility of the Developer (hereinafter defined). Proceeds of the Series 2018 Bonds will be utilized to acquire and construct a portion of the CIP in the approximate amount of \$8.6 million, consisting of approximately \$5.35 million with respect to the Offsite Roadways and approximately \$3.25 million with respect to the Parcel Improvements. The Master Landowner and Developer estimate they have expended approximately \$9.5 million to date toward completion of the CIP, including approximately \$5.2 million for Offsite Roadways and \$4.3 million for Parcel Improvements, respectively. The remainder of the Parcel Improvements not funded with proceeds of the Series 2018 Bonds will be funded by the Developer. The District cannot make any representation that the Developer will have sufficient funds to complete the remainder of the CIP not funded with proceeds of the Series 2018 Bonds.

#### **THE MASTER LANDOWNER**

The information appearing under the caption "THE MASTER LANDOWNER" has been furnished by the Master Landowner and, although believed to be reliable, such information has not been independently verified by the District or its counsel, or the Underwriter or its counsel, and no person other than the Master Landowner makes any representation or warranty as to the accuracy or completeness of such information supplied by them.

The lands encompassing Phases 2, 3 and 4 of the Development (hereinafter defined) are currently owned by the Master Landowner. As discussed in more detail under the heading "THE DEVELOPMENT – Land Acquisition," the Master Landowner acquired all of the acreage constituting the Development in September 2017. Prior to such acquisition, the Master Landowner entered into the Purchase Agreement (hereinafter defined) with the Developer in January 2017 for the sale of the acreage in the Development on a phased takedown basis (see "THE DEVELOPMENT – Purchase Agreement").

NASH-Newland Group II, LLC ("Group II") owns 100% of the equity and voting interests in the Master Landowner. Group II is wholly-owned by NASH-Newland, LLC. The following is a breakdown of the ownership of NASH-Newland, LLC:

- NASH Vingt-huit, LLC – 95% interest, which is wholly-owned by North America Sekisui House, LLC ("NASH").
- Newland Land Ventures, LLC – 5% interest, which is wholly-owned by American Newland Communities, LP ("Newland").

In December 2011, NASH and Newland, through their affiliates, formed a new joint venture and acquired the largest operating portfolio of residential master-planned communities in the United States. The joint venture purchased the interests of the California Public Employees' Retirement System (CalPERS) and American Newland Communities, LP in twenty-eight (28) master-planned communities, located in fifteen (15) markets in eleven (11) states.

NASH is the U.S. business operations unit and a full subsidiary of Sekisui House, LTD. ("Sekisui"), Japan's largest homebuilder and a leading diversified developer since 1960. NASH establishes joint ventures to build innovative and sustainability-conscious master-planned communities. NASH is headquartered in Arlington, Virginia, and Sekisui is headquartered in Osaka, Japan, with affiliates and subsidiaries around the globe. NASH's website can be accessed at [www.nashcommunities.com](http://www.nashcommunities.com); however, such website is not incorporated into this Limited Offering Memorandum. Sekisui is a publicly-traded company on the Tokyo stock exchange, Sekisui's website can be accessed at [www.sekisuihouse.co.jp/english/index.html](http://www.sekisuihouse.co.jp/english/index.html); however, such website is not incorporated into this Limited Offering Memorandum.

Newland Real Estate Group, LLC ("NREG"), through management agreements with various Newland affiliates, have developed, acquired, completed and managed for third parties a combined total of more than 140 diverse real estate developments, in excess of 20 million square feet of commercial and retail space and over 175,000 residential lots sold to builders, including master-planned residential communities, mixed-used centers, retail and commercial properties. Newland's website can be accessed at [www.newlandcommunities.com](http://www.newlandcommunities.com); however, such website is not incorporated into this Limited Offering Memorandum.

*The Master Landowner's obligations to pay the Series 2018 Special Assessments within the Development are no greater than the obligation of any other subsequent landowner within the Development. The Master Landowner is not a guarantor of payment as to any land within the Development and the recourse for the Master Landowner's failure to pay is limited to its ownership interest in the land subject to the Series 2018 Special Assessments.*

THE MASTER LANDOWNER DOES NOT HAVE ANY LIABILITY, NOR IS THE MASTER LANDOWNER GUARANTOR OF ANY OF THE DISTRICT OR MASTER LANDOWNER'S OBLIGATIONS WITH RESPECT TO THE DEVELOPMENT OR ITS COMPLETION, OR ANY OF THE

DISTRICT OR MASTER LANDOWNER'S OTHER OBLIGATIONS INCURRED IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2018 BONDS OR THE PAYMENT OF THE SERIES 2018 SPECIAL ASSESSMENTS.

### THE DEVELOPER

The information appearing under the caption "THE DEVELOPER" has been furnished by the Developer (hereinafter defined) and, although believed to be reliable, such information has not been independently verified by the District or its counsel, or the Underwriter or its counsel, and no person other than the Developer and the Developer makes any representation or warranty as to the accuracy or completeness of such information supplied by them.

The lands encompassing Phase 1 of the Development are owned the Developer. As discussed in more detail under the heading "THE DEVELOPMENT – Purchase Agreement," the Developer entered into the Purchase Agreement with the Master Landowner in January 2017 to acquire all of the acreage in the Development owned by the Master Landowner on a phased takedown basis. It is the intent for the Developer to develop the lands within the Development as a Del Webb-branded community and construct all of the planned 850 homes.

The Developer is a Michigan limited liability company and, as of December 31, 2016, is the successor by conversion of Pulte Home Corporation and is wholly owned by PulteGroup, Inc., a Michigan corporation. The Developer, based in Atlanta, Georgia, is one of America's largest homebuilding companies with operations in approximately fifty (50) markets throughout the country. As a publicly-traded company on the New York Stock Exchange, PulteGroup, Inc. is subject to the informational requirements of the Securities Act of 1934 (the "Exchange Act"), as amended, and in accordance therewith files reports, proxy statements, and other information with the Securities and Exchange Commission (the "SEC"). The registration statement and these other SEC filings are available at the SEC's website at <https://www.sec.gov> and at the SEC's Public Reference Room at the SEC's Headquarters, located at 100 F Street, NE, Washington, D.C. 20549.

All documents subsequently filed by PulteGroup, Inc. pursuant to the requirements of the Exchange Act after the date of this Limited Offering Memorandum will be available for inspection in the same manner as described above.

*The Developer's obligations to pay the Series 2018 Special Assessments within the Development are no greater than the obligation of any other landowner within the Development. The Developer is not a guarantor of payment of Series 2018 Special Assessments as to any land within the Development and the recourse for the Developer's failure to pay is limited to its ownership interest in the land.*

NEITHER THE DEVELOPER NOR PULTEGROUP, INC. HAVE ANY LIABILITY, NOR IS THE DEVELOPER OR PULTEGROUP, INC. A GUARANTOR WITH RESPECT TO ANY OF THE DISTRICT OR DEVELOPER'S OBLIGATIONS WITH RESPECT TO THE DEVELOPMENT OR ITS COMPLETION, OR ANY OF THE DISTRICT OR DEVELOPER'S OTHER OBLIGATIONS INCURRED IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2018 BONDS OR THE PAYMENT OF THE SERIES 2018 SPECIAL ASSESSMENTS.

## THE DEVELOPMENT

*The following information appearing below under the caption "THE DEVELOPMENT" has been furnished by the Developer (other than under the subheading "Land Acquisition" which has been furnished by the Master Landowner) and has not been independently verified by the District and its counsel or the Underwriter and its counsel. The Developer's and Master Landowner's obligation to pay the Series 2018 Special Assessments is limited solely to the obligation of any landowner within the District. The Developer and Master Landowner are not guarantors of payment of any Series 2018 Special Assessments, and the recourse for the failure of any landowner, including the Developer and Master Landowner, to pay the Series 2018 Special Assessments is limited to the collection proceedings against the land subject to the Series 2018 Special Assessments.*

### Overview

Del Webb Bexley (the "Development"), is an approximately 428-acre master-planned community in central Pasco County, Florida. The Development has been designed as a Del Webb-branded 55+ community that is planned to include 850 residential units and a recreational amenity complex, including a clubhouse, welcome/sales center, and related amenities. The boundaries of the District and the Development are substantially co-terminus. Primary access to the Development is located on Sunlake Boulevard, approximately one-quarter mile north of the Sunlake Boulevard/Tower Road intersection and approximately two (2) miles north of the Sunlake Boulevard/State Road 54 intersection. State Road 54 is a six-lane east/west thoroughfare that is one of the major connectors between the Suncoast Parkway, U.S. Highway 41, and Interstate 75.

The Development is situated near a predominately residential portion of State Road 54 that has a number of large, residential, master-planned communities, including community development districts such as Bexley, Ballantrae, Asturia, Concord Station, Oakstead, TSR (Starkey Ranch), Long Lake Reserve and Long Lake Ranch. There are a number of retail options situated along State Road 54, including The Shops at Sunlake Center which are located approximately two (2) miles to the south and include a Publix, Wells Fargo Bank, and various shops and restaurants. The Development is located approximately twenty-two (22) miles from the Tampa International Airport, approximately twenty-two (22) miles from the Westshore business district and approximately twenty-five (25) miles from downtown Tampa.

The Development is located directly to the east of the Bexley master-planned development being developed by NREG pursuant to a project management agreement with the Master Landowner. Since Bexley's grand opening in November 2016, 859 residential lots have been developed and platted, with 571 lots closed with homebuilders and an additional 253 under contract with homebuilders as of September 26, 2018. To date, approximately 383 homes have been closed with retail buyers, with an additional approximately ninety-nine (99) homes under contract.

### Land Acquisition

The Master Landowner acquired approximately 731 acres from the Bexley Ranch Land Trust (the "Seller") constituting the Development and the immediately surrounding areas for a purchase price of \$18.875 million on or about September 1, 2017, and December 12, 2017. In connection with the purchase of such acreage, the Master Landowner was assigned entitlements for (i) a single-family residential development of up to 900 units; (ii) 600 townhome or multi-family units; (iii) 537,200 square feet of office space; and (iv) 297,521 square feet of commercial space. The assigned townhome/multi-family, office, and commercial entitlements represent the maximum number of entitlements for those respective land uses

provided for in the MPUD (hereinafter defined). Pursuant to the purchase and sale agreement with the Seller (the "Seller PSA"), the Master Landowner is required to construct certain roadway and related improvements to Sunlake Boulevard, Tower Road and Lake Patience Road. The Sunlake Boulevard improvements are included as part of the CIP and are substantially complete. The Tower Road and Lake Patience Road improvements are not part of the District's CIP and will be constructed by the Master Landowner in the future.

As discussed in more detail below, the Master Landowner entered into the Purchase Agreement with the Developer to sell the approximately 428 acres constituting the Development and 850 residential entitlements on a phased takedown basis. The acreage purchased by the Master Landowner in excess of the approximately 428 acres constituting the Development (and the District) includes acreage for road rights-of-way for construction of the roadways discussed herein and the townhome/multi-family, commercial and retail entitlements. In addition to the acreage purchased, the Seller PSA provides the Master Landowner with a right of first offer and right of first refusal through December 31, 2020, on approximately 600 acres adjacent and to the west of the Development. Such property is located in the MPUD (hereinafter defined), north of Tower Road, west of Sunlake Boulevard and south of Bexley Village Drive.

The Master Landowner has financed the land acquisition and development expenditures incurred to date for the transportation improvements described herein with equity and proceeds of a revolving loan agreement (the "Loan Agreement") with an affiliated entity, NASH-Financing, LLC (the "Development Lender"). The Loan Agreement provides for up to fifty percent (50%) financing for the Master Landowner's development costs with respect to the Development and certain other development projects being developed by affiliates of the Master Landowner, including the payment of property taxes and the Series 2018 Special Assessments for lands owned by the Master Landowner. The Loan Agreement provides for the Master Landowner and its affiliates to borrow funds, repay borrowed funds and borrow funds again provided the outstanding balance of the loan remains at or below 50% of value. The Master Landowner borrowed, cumulatively, approximately \$17.4 million under the Loan Agreement with respect to the Development and the Bexley Community located west of the Development, all of which has been repaid. It is anticipated that the lands with respect to the Development and the Bexley Community will be released from the lien of the mortgage securing the Loan Agreement. In the event that such release does not occur prior to the issuance of the Series 2018 Bonds, upon the issuance of the Series 2018 Bonds, the Development Lender will enter into an agreement acknowledging the superiority of the lien of the Series 2018 Special Assessments to its mortgage and subordinating its assignment of development rights provided for in its mortgage. Additionally, the Developer and the Development Lender have entered into a Subordination, Non-Disturbance, and Attornment Agreement and Consent in which the Developer acknowledged that its rights under the Purchase Agreement and other related transactional documents are subordinate to the lien of the Development Lender's mortgage on the property within the Development.

To date, the Master Landowner has funded all costs of the Offsite Roadways included as a part of the CIP. It is anticipated that the first-available proceeds of the Series 2018 Bonds will be used to acquire such improvements in the amount of approximately \$5.35 million. The remaining proceeds of the Series 2018 Bonds in the estimated amount of approximately \$3.25 million will fund and/or acquire a portion of the Parcel Improvements, which are the responsibility of the Developer as more fully described herein under the subheading below, "Purchase Agreement."

## Purchase Agreement

On or about January 14, 2017, the Master Landowner and Developer entered into the Bexley Purchase and Sale Agreement (the "Purchase Agreement"), as amended, which governs the terms and conditions of the conveyance of the Development lands between the parties. The Developer's acquisition of the property is contemplated in four (4) takedowns, corresponding with the planned phasing of the Development (see "Product Type/Phase Plan" herein for further detail). The table below illustrates the expected takedown schedule, purchase price and approximate units for each phase. The units specified in the Purchase Agreement for each phase are likely to change as the site plan for each phase is finalized. As discussed in more detail below, additional consideration will be required to the extent that the Developer wishes to develop more than 850 units.

Takedown	Status	Units	Price
Phase 1	Closed on 12/22/2017	219	\$5,000,000
Phase 2	Within 24 Months of Prior Closing	206	\$5,749,853
Phase 3	Within 18 Months of Prior Closing	209	\$6,014,169
Phase 4	Within 18 Months of Prior Closing	<u>216</u>	<u>\$6,436,929</u>
<b>Total</b>		850	\$23,200,951

The Developer's earnest money deposit totaled \$2,500,000. Of that amount, \$500,000 was credited to the Developer at the initial closing, with the remaining \$2,000,000 consisting of \$50,000 in cash and \$1,950,000 secured by a letter of credit issued in favor of the Master Landowner. The deposit is to be credited in \$500,000 increments at each subsequent takedown. The Master Landowner is entitled to retain all outstanding deposit amounts in the event that the Developer does not meet its obligations set forth in the Purchase Agreement.

The Purchase Agreement specifies the development obligations of each party. The Master Landowner is required to construct two (2) segments of Sunlake Boulevard to allow initial access to the Development as follows: 1) from its current terminus north of State Road 54 northward to Tower Road; and 2) from Tower Road to a point including the main entrance to the Development. These improvements (both segments) are now substantially complete. The Sunlake Boulevard improvements are included within the Offsite Roadways component of the CIP and will be acquired with proceeds of the 2018 Bonds. The Master Landowner is also required to construct an approximately 1,400 linear foot extension of Tower Road from its current terminus to Sunlake Boulevard as a condition precedent to the closing under the Purchase Agreement. Such improvement is not included as part of the Offsite Roadways component of the CIP.

The Developer is obligated to construct all onsite subdivision improvements for the Development including the planned recreational amenity complex. Pursuant to the Purchase Agreement, the Developer is required to commence construction of the recreational amenity complex within twelve (12) months of receipt of the approvals and permits for Phase 1 and the recreational amenity complex is required to be complete within eighteen (18) months thereafter. Based upon receipt of approvals and permits for Phase 1, construction of the recreational amenity complex is scheduled to begin by November 2018 and be completed no later than April 2020. At least thirty (30) days prior to commencement of the recreational amenity complex, the Developer is required to post either an irrevocable letter of credit or performance

bond in an amount equal to 120% of the estimated hard and soft costs of the recreational amenities which are currently estimated at \$12.3 million.

At each closing, the Master Landowner shall assign to each phase or parcel conveyed a specific number of residential unit entitlements to allow the Developer to develop the requisite number of units per phase as provided for herein. The Master Landowner shall retain all developmental entitlements not otherwise assigned at each closing. The Developer agrees not to plat units in excess of the assigned density, or to exchange the number and types of units under an equivalency calculation, without the consent of the Master Landowner. In the event that the Master Landowner provides additional density to the Developer, the Master Landowner is entitled to a fee of \$25,000 per additional unit, plus a three percent (3%) escalator from the date of the initial closing until the payment of the additional density fee by the Developer.

Upon approval by the Master Landowner, the Developer may convey lands owned by the Developer within the Development to third-party homebuilders. However, the Master Landowner has retained a right of first refusal to repurchase any Development lands intended to be sold or transferred by the Developer or its successors, except for standard common area property conveyances to a homeowner's association or governmental entity, or in the case of home sales, to retail buyers. The Developer currently intends on being the sole homebuilder in the Development and therefore does not expect to convey any land or lots to third-party homebuilders.

The Developer is responsible for payment of all impact fees to the relevant governmental authorities. To the extent that the Master Landowner has impact fee credits related to a parcel (phase) to be taken down and wishes to sell such credits, the Developer shall acquire such credits on a per-lot basis for the total number of lots allocated to the respective parcel. The Developer is entitled to any mobility fee credits arising from improvements to Sunlake Boulevard contemplated within the CIP. Further, it is also anticipated that the Developer may purchase available mitigation credits from the neighboring Bexley Community Development District pursuant to an agreement such parties have entered into in order to satisfy offset requirements related to the Developer's development activities. The total amount of credits required has been estimated at 5.57 credits with an estimated cost of \$75,520 per credit.

As provided for in the Purchase Agreement, contemporaneously with the initial closing, each party's development rights and post-closing obligations with regard to their respective portions of the property were incorporated into a Development Rights Agreement (the "DRA"), which is recorded in the public record. The DRA provided for the assignment to the Developer of entitlements for 219 single-family detached units to Phase 1. Further, the DRA provided for the Developer to conditionally assign its rights under various permits and approvals to the Master Landowner to the extent necessary to facilitate the development of other portions of the Development for which the Master Landowner is or may become responsible for.

### **Development Financing**

The initial land purchase by the Developer was funded with cash and each subsequent takedown is expected to be funded in a similar manner. Further, development activities undertaken by the Developer to date have been funded with Developer equity and are anticipated to be funded in the same manner in the future. The District Engineer has estimated the total costs of the public portion of the onsite infrastructure for the Development (referred to as the "Parcel Improvements") at \$22.4 million of which proceeds of the 2018 Bonds are expected to fund approximately \$3.25 million. In addition to the Parcel Improvements, the Developer estimates the additional onsite improvements required/planned for the

Development including, without limitation, recreational facilities, internal roadways, security features and landscaping will cost approximately \$33 million. Such costs, together with that portion of the Parcel Improvements not funded with proceeds of the 2018 Bonds, are anticipated to be funded with Developer equity. To date, the Developer estimates it has expended in aggregate \$10.3 million for development expenditures for the Development, which includes the approximately \$4.3 million expended on CIP-related improvements. Currently, there are no mortgages on the Phase 1 lands owned by the Developer.

## **Zoning and Permits**

*Zoning.* The lands constituting the Development are located within the Bexley North Master Planned Unit Development (the "MPUD") which encompasses approximately 5,442 acres. The MPUD was originally approved in December 2006 and last amended in April 2017. The MPUD allows for the development of up to 11,025 single family detached/attached units, 600 multi-family units, 294,721 square feet of commercial/retail space, school sites, and 537,200 square feet of office space. The amendment to the MPUD approved the development of up to 900 senior adult housing units which approval was specifically sought for the Development. As described herein, the Development is currently planned to encompass 850 residential units and a recreational facility. The remaining allowable MPUD land uses and densities are planned to be located outside of the boundaries of the Development.

The MPUD sets forth certain development conditions including, without limitation, those related to transportation, utilities, schools and parks. Given the size of the Development in relation to the MPUD, many of the MPUD conditions, particularly transportation improvement and land conveyance requirements, would only be expected to be triggered by additional development activities outside of the Development. Subject to compliance with the conditions set forth therein, the MPUD is currently vested for purposes of timing and phasing of roadways for 3,510 single-family units, with an assumed build out date of 2025. The roadway improvements that are required in conjunction with initial plat approval for the Development consist of those to the first segment of Sunlake Boulevard from its current terminus to Tower Road which are substantially complete. The next required roadway segment as set forth in the MPUD is related to the extension of Tower Road from Sunlake Boulevard west to its current terminus and is required after the development of the senior adult housing units planned in the Development or at such time as necessary to serve adjacent development parcels. Thereafter, the next roadway segment requirement is not triggered until the 2,870<sup>th</sup> unit is platted (or construction plan is approved where no plat is required) or at such time as necessary to serve adjacent development parcels.

*Permits.* In addition to the land use approvals described above, various permits and approvals are required for the development of the lands within the Development. The Master Landowner has obtained all required development approvals and permits for the construction of the extension of Sunlake Boulevard from its current terminus to the main entrance to the Development. Further, the Developer has obtained all required permits for the construction of Phase 1 of the Development (see "Development Status" herein for a current status of development activities). Partial permits have also been obtained for the recreational amenity complex with all permits for the same expected to be obtained in October 2018. APPENDIX A includes a list of those permits that have been obtained and those that will need to be obtained to complete the Development as currently contemplated. Upon issuance of the 2018 Bonds, the District Engineer will certify that all such permits and approvals not previously obtained are expected to be obtained in the ordinary course of business.

## Environmental

Phase I Environmental Site Assessments for the lands constituting the Development have been obtained and revealed no evidence of recognized environmental conditions.

## Product Type/Phasing Plan

The Development is intended to be developed in multiple phases, totaling approximately 850 residential units. The information in the table below specifies the number of units by product type for the first phase of development, as well as the total development, which information is subject to change based on permitting requirements, market demand and other factors. Currently, the Developer owns the lands constituting Phase 1, and is currently developing residential units and the Development's recreational amenity complex therein. The Master Landowner currently owns the lands constituting Phases 2, 3, and 4.

<b>Unit Type</b>	<b>Phase 1</b>	<b>Phase 2</b>	<b>Phase 3</b>	<b>Phase 4</b>	<b>Total</b>
Single-Family 40'	54	41	58	49	202
Single-Family 50'	113	107	102	138	460
Single-Family 65'	<u>52</u>	<u>58</u>	<u>49</u>	<u>29</u>	<u>188</u>
Total	219	206	209	216	850

## 2018 Assessment Area

The 2018 Bonds will be initially secured by the Series 2018 Assessments levied on the gross unplatted property within the District; however, upon platting, the Series 2018 Assessments will be allocated to the planned 850 residential units in the District, pursuant to the allocation methodology found in the Assessment Report prepared by Rizzetta & Company, Incorporated. See "SECURITY FOR AND SOURCE OF PAYMENT OF 2018 BONDS" and "THE SERIES 2018 ASSESSMENTS." See also the Assessment Report in APPENDIX B herein.

## Development Status

Development activities commenced in the fourth quarter of 2017. The Sunlake Boulevard improvements from the current terminus to the entrance to the Development are substantially complete. Construction of horizontal improvements for Phase 1 is expected to be completed in the fourth quarter of 2018. The Developer expects to commence construction of the recreational amenity center complex by November 2018, with the welcome/sales center completed in early 2019 and the clubhouse facility completed in late 2019. The Developer is also in the initial stages of construction of its six (6) model homes.

## Product Offerings/Pricing

The information in the table below illustrates the estimated base pricing and square footage for planned residential units in the Development, which is subject to change:

<u>Unit Type</u>	<u>Est. Base Home Prices</u>	<u>Est. Square Footage</u>
Single-Family 40'	\$205,990 – 218,990	1,289 – 1,433
Single-Family 50'	\$262,990 – 282,990	1,659 – 1,968
Single-Family 65'	\$345,990 – 354,990	2,488 – 2,635

## Recreational Amenities

The Development is planned to be highly-amenitized in the typical Del Webb community fashion, including a clubhouse facility, tennis courts, pickle ball, bocce ball, and pools. Additionally, the Development is also planned to feature a community garden, amphitheater, and walking paths. As indicated above, the Developer expects to begin construction on the main amenity complex by November 2018, with full completion in late 2019. The current development budget for all recreational facilities is estimated at \$12.3 million.

## Projected Absorption

The Developer expects home sales to begin in November 2018. The table below provides the Developer's current expectation regarding the rate of residential home sales in the Development, which is subject to change.

<u>Unit Type</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2023</u>	<u>2023</u>	<u>Totals</u>
Single-Family 40'	6	36	36	36	36	36	17	0	203
Single-Family 50'	12	72	72	72	72	72	82	3	457
Single-Family 65'	<u>4</u>	<u>24</u>	<u>24</u>	<u>24</u>	<u>24</u>	<u>24</u>	<u>33</u>	<u>33</u>	<u>190</u>
<b>TOTAL</b>	22	132	132	132	132	132	132	36	850

Although the projected absorption rates set forth above are based upon estimates and assumptions deemed reasonable by the Developer, such are inherently uncertain and subject to significant business, economic and competitive uncertainties and contingencies, all of which are difficult to predict and many of which are beyond the control of the Developer.

## Schools

As discussed herein, the Development is being marketed as an age-restricted 55+ Del Webb-branded community. However, to extent there were school age children residing in the Development and based upon current school districting, school children residing in the Development would attend Oakstead Elementary School, Charles Rushe Middle School and Sunlake High School, all of which are within approximately two (2) miles of the Development. However, future capacity limitations or redistricting could result in a change to which school children residing in the Development would attend. All three schools received a grade of "A" from the Florida Department of Education for 2018.

## **Utilities**

The Development is located within the franchise/service areas of the County which will provide water, sewer and reuse services to the Development. Duke Energy provides electrical power to the Development. Communications and media services will be provided by Frontier and Spectrum.

## **Marketing**

The Developer has extensive experience marketing similar communities in Florida. Drawing from that experience, the Developer has devised a comprehensive marketing and advertising campaign that includes the use of print ads, billboards, television and radio advertisements, direct mail, online ads and displays and realtor promotions. In addition, information on the Development can be obtained from the Developer's website which can be accessed by visiting [www.delwebb.com](http://www.delwebb.com) and the Master Landowner's neighboring Bexley community website at [www.bexleyflorida.com](http://www.bexleyflorida.com).

Similar in nature to its other Del Webb-branded communities, the Developer intends to construct an on-site sales and welcome center for the Development which is scheduled for commencement by November 2018 and completion in early 2019. Until such center is complete, the Purchase Agreement provides for the Developer to utilize the sales and welcome center located in the Master Landowner's neighboring Bexley community to conduct sales activities.

## **Annual Taxes, Assessments and Fees**

Each homeowner residing in the District will pay annual taxes, assessments and fees on an ongoing basis as a result of their ownership of property within the District, including ad valorem property taxes, Series 2018 Assessments, homeowner's association ("HOA") fees, and administrative, operation and maintenance assessments levied by the District as described in more detail below.

Property Taxes. The current millage rate for the area of the County where the District is located is approximately 17.1026 mills. Accordingly, by way of example, the annual property taxes for a \$300,000 assessed value home with a \$25,000 homestead exemption (\$275,000 taxable value), would be approximately \$4,703.

Homeowner's Association Fees. All homeowners will be subject to annual HOA fees for architectural review, deed restriction enforcement, operation and maintenance of any HOA-owned facilities, including the active recreational facilities as more fully described under the heading "Recreational Amenities" and home lawn maintenance. The annual HOA fee at buildout is expected to be approximately \$3,500, although such fee may vary annually, based on the budget adopted by the HOA for a particular year.

District Special Assessments. All homeowners residing in the District will be subject to the Series 2018 Assessments levied in connection with the 2018 Bonds. The table below illustrates the Series 2018 Assessments that will be levied by the District for each of the respective product types.

<u>Unit Type</u>	<u>Per Unit Principal Series 2018 Assessments</u>	<u>Per Unit Annual Series 2018 Assessments</u>
Single-Family 40'	\$9,404	\$680
Single-Family 50'	\$11,755	\$850
Single-Family 65'	\$15,282	\$1,105

In addition to the Series 2018 Assessments, all homeowners in the District will be subject to annual operation and maintenance assessments levied by the District which are derived from the District’s annual budget and are subject to change each year. The Developer estimates annual operation and maintenance assessments will average approximately \$266 per unit at build-out.

The amounts set forth above are estimates. It is anticipated that funds derived from the operation and maintenance assessments described above will be used by the District primarily to pay for administrative overhead and operating expenses including, without limitation, District management, insurance, maintenance and supplies as well as the operation and maintenance of District-owned facilities. The assessments imposed by the District for its administrative, operation and maintenance costs may vary annually, based on the adopted budget of the District for a particular fiscal year.

**Competition**

The Development is believed to be the only completely age-restricted community currently being marketed in the immediate area along State Road 54. However, the Developer anticipates that the competition for the Development may come from the following communities listed below.

Starkey Ranch. Starkey Ranch is a 2,484-acre master-planned development located along the north side of State Road 54, west of the Suncoast Parkway. Starkey Ranch is being developed by an affiliate of Wheelock Street Capital and is expected to encompass multiple residential areas and various recreational amenities. The portion of Starkey Ranch that is anticipated to provide competition to the Development is an approximately 500-unit age-targeted community being developed by Taylor Morrison known as Esplanade.

The Developer believes that other prominent regional age-targeted or age-restricted communities, such as Valencia Lakes (south Hillsborough County), Sun City Center (south Hillsborough County), and the Developer’s Del Webb offerings at Lakewood Ranch (north Manatee County), do not pose direct competition to the Development due to significant location differences.

This section does not purport to summarize all of the existing or planned communities in the area of the Development, but rather to provide a description of those that the Developer feels may pose primary competition to the Development.

## ASSESSMENT METHODOLOGY

The Methodology Consultant has developed the Master Report that allocates the total benefit derived from the District's CIP to the benefitted lands in the District. In addition, the Methodology Consultant has developed the Supplemental Report that allocates the Series 2018 Special Assessments in proportion to the benefit derived from the Series 2018 Project. The Assessment Report initially allocates the Series 2018 Special Assessments over the gross acreage in the District. As such acreage is developed and platted, the Series 2018 Special Assessments will be allocated on a per unit basis to those parcels that are platted. The Series 2018 Special Assessments are expected to be paid annually over a thirty (30) year period. See the Supplemental Report attached hereto as part of APPENDIX B for the annual and principal amount of the Series 2018 Special Assessments.

## DESCRIPTION OF THE SERIES 2018 BONDS

### General Description

The Series 2018 Bonds are issuable only as registered bonds without coupons in current interest form in denominations of \$5,000 or any integral multiple thereof (an "Authorized Denomination"); provided, however, that the Series 2018 Bonds shall be delivered to the initial purchasers thereof only in principal amounts of \$100,000 or integral multiples of Authorized Denominations in excess of \$100,000.

The Series 2018 Bonds will be dated and will bear interest payable on each May 1 and November 1, commencing May 1, 2019 (each, an "Interest Payment Date") and shall be computed on the basis of a 360-day year of twelve 30-day months. The Series 2018 Bonds will mature on the dates, in such amounts and at such rates as set forth on the cover page of this Limited Offering Memorandum.

Except as otherwise provided with respect to a book-entry only system of registration of the Series 2018 Bonds, the principal or Redemption Price of the Series 2018 Bonds shall be payable in lawful money of the United States of America at the designated corporate trust office of the Paying Agent upon presentation of such Series 2018 Bonds. Except as otherwise provided with respect to a book-entry only system of registration of the Series 2018 Bonds, the payment of interest on the Series 2018 Bonds shall be made on each Interest Payment Date to the Owners of the Series 2018 Bonds by check or draft drawn on the Paying Agent and mailed on the applicable Interest Payment Date to each Owner as such Owner appears on the Bond Register maintained by the Registrar as of the close of business on the Regular Record Date, at his address as it appears on the Bond Register. Any interest on any Series 2018 Bond which is payable, but is not punctually paid or provided for on any Interest Payment Date (hereinafter called "Defaulted Interest") shall be paid to the Owner in whose name the Series 2018 Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be not more than fifteen (15) nor less than ten (10) days prior to the date of proposed payment. The Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class, postage-prepaid, to each Owner of record as of the fifth (5<sup>th</sup>) day prior to such mailing, at his address as it appears in the Bond Register not less than ten (10) days prior to such Special Record Date. The foregoing notwithstanding, any Owner of Series 2018 Bonds in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Paying Agent, upon requesting the same in a writing received by the Paying Agent at least fifteen (15) days prior to the relevant Interest Payment Date, which writing shall specify the bank, which shall be a bank within the continental United States, and bank account number to which interest payments are to

be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Paying Agent, and any such rescission or change of wire transfer instructions must be received by the Paying Agent at least fifteen (15) days prior to the relevant Interest Payment Date.

The Series 2018 Bonds will initially be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), which will act initially as securities depository for the Series 2018 Bonds and, so long as the Series 2018 Bonds are held in book-entry only form, Cede & Co. will be considered the registered owner for all purposes hereof. See "--Book-Entry Only System" below for more information about DTC and its book-entry only system.

**Redemption Provisions for the Series 2018 Bonds**

Optional Redemption. The Series 2018 Bonds may, at the option of the District in writing, be called for redemption prior to maturity in whole or in part at any time on or after May 1, 2029 (less than all Series 2018 Bonds to be specified by the District in writing), at a Redemption Price equal to 100% of the principal amount of Series 2018 Bonds to be redeemed plus accrued interest from the most recent Interest Payment Date to the date of redemption.

Mandatory Sinking Fund Redemption in Part. The Series 2018 Bond maturing on May 1, 2023, is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2018 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year (May 1)	Sinking Fund Installment
2021	\$160,000
2022	165,000
2023*	175,000

\* Final Maturity

The Series 2018 Bond maturing on May 1, 2028, is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2018 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>	<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>
2024	\$180,000	2027	\$210,000
2025	190,000	2028*	220,000
2026	200,000		

\* Final Maturity

The Series 2018 Bond maturing on May 1, 2039, is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2018 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>	<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>
2029	\$230,000	2035	\$315,000
2030	245,000	2036	335,000
2031	255,000	2037	355,000
2032	270,000	2038	370,000
2033	285,000	2039*	390,000
2034	300,000		

\* Final Maturity

The Series 2018 Bond maturing on May 1, 2049, is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2018 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>	<b>Year (May 1)</b>	<b>Sinking Fund Installment</b>
2040	\$415,000	2045	\$540,000
2041	435,000	2046	570,000
2042	460,000	2047	605,000
2043	485,000	2048	635,000
2044	515,000	2049*	670,000

\* Final Maturity

Extraordinary Mandatory Redemption in Whole or in Part. The Series 2018 Bonds are subject to extraordinary mandatory redemption prior to maturity by the District in whole, on any date, or in part, on any Redemption Date, at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Series 2018 Bonds to be redeemed, plus interest accrued to the date of redemption, as follows:

(i) from Series 2018 Prepayments deposited into the Series 2018 Prepayment Account of the Series 2018 Bond Redemption Fund following the payment in whole or in part of Series 2018 Special Assessments on any portion of the Series 2018 Lands in accordance with the provisions of Section 4.05(a) of the First Supplement, including any excess moneys transferred from the Series 2018 Debt Service Reserve Account to the Series 2018 Prepayment Account of the Series 2018 Bond Redemption Fund resulting from such Series 2018 Prepayment pursuant to Section 4.01(f)(ii) of the First Supplement.

(ii) on or after the Completion Date of the Series 2018 Project, by application of moneys remaining in the Series 2018 Acquisition and Construction Account of the Acquisition and Construction Fund not reserved by the District for the payment of any remaining part of the Cost of the Series 2018 Project, which has been transferred as specified in Section 4.01(a) of the First Supplement to the Series 2018 General Account of the Series 2018 Bond Redemption Fund, credited toward extinguishment of the Series 2018 Special Assessments and applied toward the redemption of the Series 2018 Bonds in accordance with the manner it has credited such excess moneys toward extinguishment of Series 2018 Special Assessments which the District shall describe to the Trustee in writing.

(iii) following condemnation or the sale of any portion of the Series 2018 Project to a governmental entity under threat of condemnation by such governmental entity and the payment of moneys which are not to be used to rebuild, replace or restore the taken portion of the Series 2018 Project to the Trustee by or on behalf of the District for deposit into the Series 2018 General Account of the Series 2018 Bond Redemption Fund in order to effectuate such redemption and, which moneys shall be applied by the District to redeem Series 2018 Bonds in accordance with the manner it has credited such moneys toward extinguishment of Series 2018 Special Assessments which the District shall describe to the Trustee in writing.

(iv) following the damage or destruction of all or substantially all of the Series 2018 Project to such extent that, in the reasonable opinion of the District, the repair and restoration thereof would not be economical or would be impracticable, to the extent of amounts paid by the District to the Trustee for deposit to the Series 2018 General Account of the Series 2018 Bond Redemption Fund which moneys shall be applied by the District to redeem Series 2018 Bonds in accordance with the manner it has credited such moneys toward extinguishment of Series 2018 Special Assessments; provided, however, that at least forty-five (45) days prior to such extraordinary mandatory redemption, the District shall cause to be delivered to the Trustee (x) notice setting forth the date of redemption and (y) a certificate of the District Engineer confirming that the repair and restoration of the Series 2018 Project would not be economical or would be impracticable, such certificate upon which the Trustee shall be entitled to rely.

(v) from moneys, if any, on deposit in the Series 2018 Funds and Accounts (other than the Rebate Fund) sufficient to pay and redeem all Outstanding Series 2018 Bonds and accrued interest thereon to the date of redemption in addition to all amounts owed to Persons under the Indenture.

### **Notice of Redemption and of Purchase**

When required to redeem or purchase Series 2018 Bonds under any provision of the Indenture or directed to do so by the District, the Trustee shall cause notice of the redemption, either in whole or in part,

to be given by Electronic Means or mailed at least thirty (30) but not more than sixty (60) days prior to the redemption or purchase date to all Owners of Bonds to be redeemed or purchased (as such Owners appear on the Bond Register on the fifth (5th) day prior to such mailing), at their registered addresses, but failure to mail any such notice or defect in the notice or in the mailing thereof shall not affect the validity of the redemption or purchase of the Series 2018 Bonds for which notice was duly mailed in accordance with the Indenture.

If at the time of mailing of notice of an optional redemption or purchase, the District shall not have deposited with the Trustee or Paying Agent moneys sufficient to redeem or purchase all the Series 2018 Bonds called for redemption or purchase, such notice shall state that it is subject to the deposit of the redemption or purchase moneys with the Trustee or Paying Agent, as the case may be, not later than the opening of business on the redemption or purchase date, and such notice shall be of no effect unless such moneys are so deposited.

If the amount of funds deposited with the Trustee for such redemption, or otherwise available, is insufficient to pay the Redemption Price and accrued interest on the Series 2018 Bonds so called for redemption on the redemption date, the Trustee shall redeem and pay on such date an amount of such Series 2018 Bonds for which such funds are sufficient, selecting the Series 2018 Bonds to be redeemed by lot from among all such Series 2018 Bonds called for redemption on such date, and among different maturities of Series 2018 Bonds in the same manner as the initial selection of Series 2018 Bonds to be redeemed, and from and after such redemption date, interest on the Series 2018 Bonds or portions thereof so paid shall cease to accrue and become payable; but interest on any Series 2018 Bonds or portions thereof not so paid shall continue to accrue until paid at the same rate as it would have had such Series 2018 Bonds not been called for redemption.

If any required (a) unconditional notice of redemption has been duly given, mailed or waived by the Owners of all Series 2018 Bonds called for redemption or (b) conditional notice of redemption has been so given, mailed or waived and the redemption moneys have been duly deposited with the Trustee or Paying Agent, then in either case, the Series 2018 Bonds called for redemption shall be payable on the redemption date at the applicable Redemption Price plus accrued interest, if any, to the redemption date. Series 2018 Bonds so called for redemption, for which moneys have been duly deposited with the Trustee, will cease to bear interest on the specified redemption date, shall no longer be secured by the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture.

#### **Partial Redemption of Series 2018 Bonds**

If less than all of the Series 2018 Bonds of a maturity are to be redeemed, the Trustee shall select the particular Series 2018 Bonds or portions of the Series 2018 Bonds to be called for redemption by lot in such reasonable manner as the Trustee in its discretion may determine. In the case of any partial redemption of Series 2018 Bonds pursuant to an optional redemption, such redemption shall be effectuated by redeeming the Series 2018 Bonds of such maturities in such manner as shall be specified by the District in writing, subject to the provisions of Section 8.01 of the Master Indenture. In the case of any partial redemption of the Series 2018 Bonds pursuant to an extraordinary mandatory redemption, such redemption shall be effectuated by redeeming the Series 2018 Bonds pro rata among the maturities, treating each date on which a Sinking Fund Installment is due as a separate maturity for such purpose, with the portion to be redeemed from each maturity being equal to the product of the aggregate principal amount of the Series 2018 Bonds to be redeemed multiplied times a fraction the numerator of which is the principal amount of the Series 2018 Bonds of such maturity outstanding immediately prior to the redemption date

and the denominator of which is the aggregate principal amount of all Series 2018 Bonds outstanding immediately prior to the redemption date.

### **Recalculation of Scheduled Sinking Fund Installments**

Upon any purchase or redemption of Series 2018 Bonds other than in accordance with scheduled Sinking Fund Installments, the District shall cause to be recalculated and delivered to the Trustee revised Sinking Fund Installments recalculated so as to amortize the Outstanding principal amount of Series 2018 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2018 Bonds. The Sinking Fund Installments as so recalculated shall not result in an increase in the aggregate of the Sinking Fund Installments for all Series 2018 Bonds in any year. In the event of a redemption or purchase occurring less than forty-five (45) days prior to a date on which a Sinking Fund Installment is due, the foregoing recalculation shall not be made to Sinking Fund Installments due in the year in which such redemption or purchase occurs, but shall be made to Sinking Fund Installments for the immediately succeeding and subsequent years.

### **Book-Entry Only System**

The information in this section concerning The Depository Trust Company, New York, New York, ("DTC") and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

DTC will act as securities depository for the Series 2018 Bonds. The Series 2018 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2018 Bond certificate will be issued for each maturity of the Series 2018 Bonds as set forth in the inside cover of this Limited Offering Memorandum, each in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC rules applicable to its

Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Series 2018 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2018 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2018 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2018 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2018 Bonds, except in the event that use of the book-entry system for the Series 2018 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2018 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2018 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2018 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2018 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2018 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2018 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2018 Bond documents. For example, Beneficial Owners of Series 2018 Bonds may wish to ascertain that the nominee holding the Series 2018 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2018 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2018 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2018 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, and interest payments on the Series 2018 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's

practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Trustee on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest on the Series 2018 Bonds, as applicable, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District and/or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2018 Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2018 Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In such event, Series 2018 Bonds will be printed and delivered to DTC.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2018 BONDS, AS NOMINEE OF DTC, REFERENCE HEREIN TO THE HOLDER OF THE SERIES 2018 BONDS OR REGISTERED OWNERS OF THE SERIES 2018 BONDS SHALL MEAN DTC AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2018 BONDS.

## **SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2018 BONDS**

### **General**

The Series 2018 Bonds are payable from and secured by the Pledged Revenues. "Pledged Revenues" mean (a) all revenues received by the District from the Series 2018 Special Assessments levied and collected on that portion of the District Lands benefited by the Series 2018 Project, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2018 Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2018 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Indenture; provided, however, that Pledged Revenues shall not include (A) any moneys transferred to the Rebate Fund, or investment earnings thereon, and (B) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the District under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Indenture shall not apply to any of the moneys described in the foregoing clauses (A) and (B) of this proviso).

The Series 2018 Special Assessments represent an allocation of a portion of the costs of the CIP, including bond financing costs, to the Assessment Area in accordance with the Assessment Report attached hereto as APPENDIX B.

"Special Assessments" mean (a) the net proceeds derived from the levy and collection of "special assessments," as provided for in Sections 190.011(14) and 190.022 of the Act (except for any such special assessments levied and collected for maintenance purposes), against the District Lands that are subject to assessment as a result of a particular Project or any portion thereof, and (b) the net proceeds derived from the levy and collection of "benefit special assessments," as provided for in Section 190.021(2) of the Act, against the District Lands that are subject to assessment as a result of a particular Project or any portion thereof, and in the case of both "special assessments" and "benefit special assessments," including the interest and penalties on such assessments, pursuant to all applicable provisions of the Act and Chapter 170, Florida Statutes, and Chapter 197, Florida Statutes (and any successor statutes thereto), including, without limitation, any amount received from any foreclosure proceeding for the enforcement of collection of such assessments or from the issuance and sale of tax certificates with respect to such assessments, less (to the extent applicable) the fees and costs of collection thereof payable to the Tax Collector and less certain administrative costs payable to the Property Appraiser pursuant to the Property Appraiser and Tax Collector Agreement. "Special Assessments" do not include "maintenance special assessments" levied and collected by the District under Section 190.021(3) of the Act.

THE SERIES 2018 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY OUT OF THE PLEDGED REVENUES PLEDGED THEREFOR UNDER THE INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE DISTRICT, PASCO COUNTY, FLORIDA, THE STATE OF FLORIDA, OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2018 BONDS, EXCEPT THAT THE DISTRICT IS OBLIGATED UNDER THE INDENTURE TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, SERIES 2018 SPECIAL ASSESSMENTS TO SECURE AND PAY THE SERIES 2018 BONDS. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, PASCO COUNTY, FLORIDA, THE STATE OF FLORIDA, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

### **Funds and Accounts**

The Indenture establishes with the Trustee the following Funds and Accounts: 1) within the Acquisition and Construction Fund, a Series 2018 Acquisition and Construction Account and a Series 2018 Costs of Issuance Account; 2) within the Revenue Fund, a Series 2018 Revenue Account; 3) within the Debt Service Fund, a Series 2018 Principal Account, a Series 2018 Interest Account, and a Series 2018 Sinking Fund Account; 4) within the Debt Service Reserve Fund, a Series 2018 Debt Service Reserve Account; and 5) within the Series 2018 Bond Redemption Fund, a Series 2018 General Account and a Series 2018 Prepayment Account.

### **Series 2018 Acquisition and Construction Account**

Amounts on deposit in the Series 2018 Acquisition and Construction Account shall be applied from time to time to pay the Costs of the Series 2018 Project upon compliance with the requirements of the requisition provisions set forth in the Indenture. After the Completion Date of the Series 2018 Project and after retaining in the Series 2018 Acquisition and Construction Account the amount, if any, of all remaining unpaid Costs of the Series 2018 Project set forth in the Consulting Engineer's Certificate establishing such Completion Date, any funds remaining in the Series 2018 Acquisition and Construction Account shall be transferred to and deposited into the Series 2018 General Account of the Series 2018 Bond Redemption Fund and applied to the extraordinary mandatory redemption of the Series 2018 Bonds.

## **Series 2018 Debt Service Reserve Account and Series 2018 Debt Service Reserve Requirement**

The Series 2018 Debt Service Reserve Requirement means an amount equal to fifty percent (50%) of the maximum annual Debt Service Requirement for the Series 2018 Bonds as of any date of calculation as provided for in the Indenture, which amount is initially equal to \$346,253.75.

The Series 2018 Debt Service Reserve Account will be held for the benefit of all of the Series 2018 Bonds, without privilege or priority of one Series 2018 Bond over another. Whenever for any reason on an Interest Payment Date or principal payment date or mandatory redemption date with respect to the Series 2018 Bonds the amount in the Series 2018 Interest Account, the Series 2018 Principal Account or the Series 2018 Sinking Fund Account, as the case may be, is insufficient to pay all amounts payable on such Series 2018 Bonds therefrom on such payment dates, the Trustee shall, without further instructions, transfer the amount of any such deficiency from the Series 2018 Debt Service Reserve Account into the Series 2018 Interest Account, the Series 2018 Principal Account and the Series 2018 Sinking Fund Account, as the case may be, with priority to the Series 2018 Interest Account and then, proportionately according to the respective deficiencies therein, to the Series 2018 Principal Account and the Series 2018 Sinking Fund Account, to be applied to pay amounts due with respect to the Series 2018 Bonds on such date.

On each March 15, June 15, September 15 and December 15 On each March 15, June 15, September 15 and December 15 (or, if such date is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amounts on deposit in the Series 2018 Debt Service Reserve Account and transfer any excess therein (except for excess resulting from interest earnings or from Prepayments) above the Series 2018 Debt Service Reserve Requirement, as follows: (A) prior to the Completion Date of the Series 2018 Project, to the Series 2018 Acquisition and Construction Account of the Acquisition and Construction Fund, and (B) on and after the Completion Date of the Series 2018 Project, such amounts shall be transferred to the Series 2018 Revenue Account.

Notwithstanding the foregoing paragraph, so long as no Event of Default has occurred and has not been cured, upon an optional prepayment by the owner of a lot or parcel of land of a Series 2018 Special Assessment against such lot or parcel as provided in the Indenture, the District, on March 15, June 15, September 15 and December 15 (or, if such date is not a Business Day, on the Business Day next preceding such day), shall determine the Series 2018 Debt Service Reserve Requirement, taking into account such optional prepayment and shall direct the Trustee in writing to transfer any amount on deposit in the Series 2018 Debt Service Reserve Account in excess of the Series 2018 Debt Service Reserve Requirement (except for excess resulting from interest earnings) from the Series 2018 Debt Service Reserve Account to the Series 2018 Prepayment Account of the Series 2018 Bond Redemption Fund, as a credit against the Series 2018 Prepayment otherwise required to be made by the owner of such lot or parcel.

Earnings on investments in the Series 2018 Debt Service Reserve Account shall be disposed of as follows:

(A) If as of the last date on which amounts on deposit in the Series 2018 Debt Service Reserve Account were valued by the Trustee there was a deficiency in the Series 2018 Debt Service Reserve Account, or if after such date withdrawals have been made from the Series 2018 Debt Service Reserve Account and have created such a deficiency, then earnings on investments in the Series 2018 Debt Service Reserve Account shall be deposited to the credit of the Series 2018 Debt Service Reserve Account until the amounts on deposit therein equal the Series 2018 Debt Service Reserve Requirement; and

(B) As long as no notice of an Event of Default under the Indenture has been delivered to the Trustee or if such Event of Default described in a notice has been cured or waived as provided in the Master Indenture, and the amount in the Series 2018 Debt Service Reserve Account is not reduced below the then Series 2018 Debt Service Reserve Requirement, then earnings on investments in such Account shall be applied as follows: (x) prior to the Completion Date of the Series 2018 Project, to the Series 2018 Acquisition and Construction Account of the Acquisition and Construction Fund, and (y) on and after the Completion Date of the Series 2018 Project, to the Series 2018 Revenue Account of the Revenue Fund. Upon the occurrence and continuance of an Event of Default, earnings on investments in the Series 2018 Debt Service Reserve Account shall remain therein.

### **Flow of Funds**

The Trustee shall transfer from amounts on deposit in the Series 2018 Revenue Account of the Revenue Fund to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, not later than the Business Day preceding each May 1 and November 1, to the Series 2018 Interest Account of the Debt Service Fund, an amount equal to the interest on the Series 2018 Bonds due on such May 1 or November 1, less any amounts on deposit in the Series 2018 Interest Account not previously credited;

SECOND, no later than the Business Day next preceding each May 1, to the Series 2018 Principal Account of the Debt Service Fund, an amount equal to the principal amount of Series 2018 Bonds Outstanding and maturing on such May 1, if any, less any amounts on deposit in the Series 2018 Principal Account not previously credited;

THIRD, no later than the Business Day next preceding each May 1, to the Series 2018 Sinking Fund Account of the Debt Service Fund, an amount equal to the principal amount of Series 2018 Bonds subject to sinking fund redemption on such May 1, less any amount on deposit in the Series 2018 Sinking Fund Account not previously credited;

FOURTH, upon receipt but no later than the Business Day next succeeding each Interest Payment Date, to the Series 2018 Debt Service Reserve Account an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2018 Debt Service Reserve Requirement;

FIFTH, notwithstanding the foregoing, at any time the Series 2018 Bonds are subject to redemption on a date which is not a May 1 or November 1 Interest Payment Date, the Trustee shall be authorized to transfer to the Series 2018 Interest Account the amount necessary to pay interest on the Series 2018 Bonds subject to redemption on such date; and

SIXTH, subject to the following paragraph, the balance of any moneys remaining after making the foregoing deposits shall remain in the Series 2018 Revenue Account unless pursuant to the Arbitrage Certificate it is necessary to make a deposit into the Rebate Fund, in which case the District shall direct the Trustee in writing to make such deposit thereto.

On or after each November 2, the Trustee shall transfer to the District, at the District's written direction, the balance on deposit in the Series 2018 Revenue Account on such November 2 to be used for any lawful purpose of the District; provided, however, that on the date of such proposed transfer the

amount on deposit in the Series 2018 Debt Service Reserve Account shall be equal to the Series 2018 Debt Service Reserve Requirement and, provided, further, that no notice of an Event of Default under the Indenture has been delivered to the Trustee, including the payment of Trustee's fees and expenses then due.

### **Agreements for Assignment of Development Rights**

Contemporaneously with the issuance of the Series 2018 Bonds, the District will enter into Collateral Assignment and Assumption of Development and Contract Rights Relating to the Development with each of the Master Landowner and the Developer (together, the "Assignment Agreements"). The following is a description of the Assignment Agreements but is qualified in its entirety by reference to the Assignment Agreements. Pursuant to the Assignment Agreements, the Master Landowner and the Developer collaterally assign to the District all of their respective development rights and contract rights relating to the development of the Development as to lands owned by the Master Landowner or the Developer, as applicable (the "Development and Contract Rights"), as security for the Master Landowner's and the Developer's payment and performance and discharge of its obligation to pay the Series 2018 Special Assessments levied against the respective lands owned by the Master Landowner and the Developer when due. The assignment will become effective and absolute upon failure of the Master Landowner or the Developer to pay the Series 2018 Special Assessments levied against the respective lands owned by the Master Landowner or the Developer. The Development and Contract Rights specifically excludes any such portion of the Development and Contract Rights which relate to any property which has been conveyed to a homebuilder resulting from the sale of any portion of the lands in the ordinary course of business, the County, the District, any applicable homeowner's association or other governing entity or association. Pursuant to the Indenture, the District assigns its rights under the Assignment Agreements to the Trustee for the benefit of the Owners, from time to time, of the Series 2018 Bonds.

Notwithstanding the above provisions to the contrary, in the event the District foreclosed on the lands subject to the Series 2018 Special Assessments as a result of the Master Landowner's or the Developer's or a subsequent landowner's failure to pay such Series 2018 Special Assessments, there is a risk that the District will not have all permits and entitlements necessary to complete the development of the Development.

### **True-Up Agreements**

In connection with the issuance of the Series 2018 Bonds, the District will enter into agreements with both the Master Landowner and the Developer (together, the "True-Up Agreements") pursuant to which the Master Landowner and the Developer agree that at the time of recording of any and all plats containing any portion of the District Lands, such plat shall be presented the District for review, approval and allocation of the Series 2018 Special Assessments to the units being platted and the remaining property in accordance with the District's Assessment Report. At the time that any plat is presented to the District, the District will determine if the par amount of outstanding Series 2018 Bonds will be assigned to the total number of units to be developed, taking into account the submitted plat. If not, the District will determine the remaining par amount of outstanding Series 2018 Bonds unassigned to units and the total number of developable acres owned by the Master Landowner or the Developer, as applicable, remaining to be platted and will determine if the maximum par debt per acre, as provided in the Assessment Report, is exceeded. If the maximum par debt per acre is exceeded, a debt reduction payment in the amount equal to the par debt that is not capable of being assigned to the total number of developable acres, plus any applicable interest charges and collection fees shall become due and payable prior to the District's approval of the plat,

in addition to the regular assessment installment payable for lands owned by the Master Landowner or the Developer, as applicable, for that tax year.

The True-Up Agreements additionally provide that as lands are sold by the Master Landowner to the Developer pursuant to the Purchase Agreement, the Master Landowner's obligations with respect to the conveyed lands under its True-Up Agreements shall be assigned to and assumed by the Developer.

### **Enforcement of True-Up Agreements**

The District, either through its own actions, or actions caused to be taken through the Trustee, covenants in the Indenture that it shall strictly enforce all of the provisions of the True-Up Agreements, and, upon the occurrence and continuance of a default under either or both of such agreements, the District covenants and agrees in the Indenture that the Trustee, at the written direction of the Majority Owners of the Series 2018 Bonds shall act on behalf of, and in the District's stead, to enforce the provisions of such agreements and to pursue all available remedies under applicable law or in equity. Anything in the Indenture to the contrary notwithstanding, failure of the District to enforce, or permit the Trustee to enforce in its stead, all of the provisions of the True-Up Agreements upon demand of the Majority Owners of the Series 2018 Bonds, or the Trustee at the written direction of the Majority Owners of the Series 2018 Bonds, shall constitute an Event of Default under the Indenture without benefit of any period for cure.

### **Enforcement and Collection of Series 2018 Special Assessments**

The primary source of payment for the Series 2018 Bonds is the Series 2018 Special Assessments levied on the Assessment Area, all in accordance with the Assessment Methodology and Assessment Resolutions. At the time of issuance of the Series 2018 Bonds, the Master Landowner and the Developer own all the lands in the Assessment Area. To the extent that the Master Landowner or Developer, or any successor landowners, fail to pay such Series 2018 Special Assessments, delay payments, or are unable to pay Series 2018 Special Assessments, the successful pursuit of collection procedures available to the District is essential to continued payment of principal of and interest on the Series 2018 Bonds. The Act provides for various methods of collection of delinquent taxes by reference to other provisions of the Florida Statutes. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein for a summary of payment and collection procedures relating to the Series 2018 Special Assessments appearing in the Florida Statutes.

The Series 2018 Special Assessments will be directly collected and enforced by the District pursuant to the provisions of the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto; provided, however, Series 2018 Special Assessments levied on platted lots not owned by the Developer and pledged hereunder to secure the Series 2018 Bonds will be collected pursuant to the Uniform Method. The District covenants to enter into a Property Appraiser and Tax Collector Agreement with the County in order to provide for such Uniform Method of collection. Upon the occurrence of an Event of Default, if the Trustee, acting at the written direction of the Majority Owners of the Series 2018 Bonds, requests that the District not use the Uniform Method, but instead collect and enforce Series 2018 Special Assessments pursuant to another available method under the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto, then the District shall collect and enforce said Series 2018 Special Assessments in the manner and pursuant to the method so requested by the Trustee. Any Series 2018 Special Assessments that are not collected pursuant to the Uniform Method shall be billed directly to the applicable landowner and be payable not later than thirty (30) days prior to each Interest Payment Date.

The District covenants to comply with the terms of the proceedings adopted with respect to the Series 2018 Special Assessments, including the Assessment Resolution and the Assessment Methodology, and to levy the Series 2018 Special Assessments and any required true-up payments set forth in the Assessment Methodology, in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2018 Bonds, when due.

The District covenants and agrees in the Indenture that upon the occurrence and continuance of an Event of Default, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of delinquent Series 2018 Special Assessments, the provisions for the foreclosure of the lien of delinquent Series 2018 Special Assessments, and will take such other appropriate remedial actions as shall be directed by the Trustee acting at the written direction of, and on behalf of, the Majority Owners, from time to time, of the Series 2018 Bonds. Notwithstanding anything to the contrary herein, and unless otherwise directed by the Majority Owners and allowed pursuant to Federal or State law, the District acknowledges and agrees that (i) upon failure of any property owner to pay an installment of Special Assessments collected directly by the District when due, that the entire Special Assessments related to the Series 2018 Bonds on the tax parcel as to which such delinquent Series 2018 Special Assessment pertains, with interest and penalties thereon, shall immediately become due and payable and the District shall cause to be commenced the necessary legal proceedings for the foreclosure of the lien of delinquent Series 2018 Special Assessments with respect to such tax parcel, including interest and penalties and (ii) the foreclosure proceedings shall be prosecuted to a sale and conveyance of the property involved in said proceedings as now provided by law in suits to foreclose mortgages. Notwithstanding anything to the contrary herein, the District shall be entitled to first recover from any foreclosure before such proceeds are applied to the payment of principal or interest on the Series 2018 Bonds, all fees and costs expended in connection with such foreclosure, regardless of whether such fees and costs are included as part of the Series 2018 Special Assessments, as defined herein.

If any property shall be offered for sale for the nonpayment of any Series 2018 Special Assessment and no person or persons shall purchase such property for an amount equal to the full amount due on the Series 2018 Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the property may then be purchased by the District for an amount equal to the balance due on the Series 2018 Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the District and the District shall receive in its corporate name or in the name of a special purpose entity title to the property for the benefit of the Owners of the Series 2018 Bonds; provided that the Trustee shall have the right, acting at the written direction of the Majority Owners of the Series 2018 Bonds, but shall not be obligated, to direct the District with respect to any such action taken. The District, either through its own actions, or actions caused to be taken through the Trustee, shall have the power and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the Series 2018 Revenue Account. The District, either through its own actions, or actions caused to be taken through the Trustee, agrees in the Indenture that it shall be required to take the measures provided by law for sale of property acquired by it as trustee for the Owners of the Series 2018 Bonds within sixty (60) days after the receipt of the request therefor signed by the Trustee or the Majority Owners of the Series 2018 Bonds.

### **Limitation on Additional Bonds**

The District has covenanted and agreed in the Indenture that so long as there are any Series 2018 Bonds Outstanding, it shall not cause or permit to be caused any lien, charge or claim against the Pledged Revenues, except for refunding bonds. The District further covenants and agrees that so long as the Series 2018 Special Assessments have not been Substantially Absorbed, it shall not issue Bonds secured by Special

Assessments for capital projects on lands subject at such time to the Series 2018 Special Assessments without the consent of the Majority Owners; provided, however that the foregoing shall not preclude the imposition of Special Assessments for capital projects necessary for health, safety and welfare reasons, to remediate a natural disaster, or imposed prior to the issuance of the Series 2018 Bonds. "Substantially Absorbed" means the date on which a principal amount of Series 2018 Special Assessments equaling ninety percent (90%) of the then Outstanding principal amount of the Series 2018 Bonds are levied on the District Lands with respect to which a certificate of occupancy has been issued for a structure thereon.

### **Events of Default With Respect to the Series 2018 Bonds**

Each of the following shall be an "Event of Default" under the Indenture, with respect to the Series 2018 Bonds:

(a) if payment of any installment of interest on any Series 2018 Bond is not made when it becomes due and payable; or

(b) if payment of the principal or Redemption Price of any Series 2018 Bond is not made when it becomes due and payable at maturity or upon call or presentation for redemption; or

(c) if the District, for any reason, fails to, or is rendered incapable of fulfilling its obligations under the Indenture or under the Act; or

(d) if the District proposes or makes an assignment for the benefit of creditors or enters into a composition agreement with all or a material part of its creditors, or a trustee, receiver, executor, conservator, liquidator, sequestrator or other judicial representative, similar or dissimilar, is appointed for the District or any of its assets or revenues, or there is commenced any proceeding in liquidation, bankruptcy, reorganization, arrangement of debts, debtor rehabilitation, creditor adjustment or insolvency, local, state or federal, by or against the District and if such is not vacated, dismissed or stayed on appeal within ninety (90) days; or

(e) if the District defaults in the due and punctual performance of any other covenant in the Indenture or in the Series 2018 Bonds and such default continues for sixty (60) days after written notice thereof that requires the same to be remedied shall have been given to the District by the Trustee, which notice may be given by the Trustee in its discretion and which notice shall be given by the Trustee at the written request of the Majority Owners of the Series 2018 Bonds; provided, however, that if such performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such sixty (60) day period, no Event of Default shall be deemed to have occurred or exist if, and so long as the District shall commence such performance within such sixty (60) day period and shall diligently and continuously prosecute the same to completion;

(f) The Trustee withdraws more than twenty-five percent (25%) of the available funds from the Series 2018 Debt Service Reserve Account and such amount is not replenished within twelve (12) months of the date of withdrawal (including from collections of delinquent Series 2018 Special Assessments); or

(g) More than twenty-five percent (25%) of the operation and maintenance assessments levied and collected directly by the District on District Lands subject to the Series 2018 Special Assessments are not paid within ninety (90) days of the date such are due and payable.

An Event of Default with respect to the Series 2018 Bonds shall not be an Event of Default as to any other Series of Bonds.

### **Provisions Relating to Bankruptcy or Insolvency of Landowner**

The provisions of this section shall apply both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any owner of any tax parcel subject to at least five percent (5%) of the Series 2018 Special Assessments (an "Insolvent Taxpayer") under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, assignment for the benefit of creditors, or relief of debtors (a "Proceeding"), except where such tax parcel shall be homestead property. For as long as any Series 2018 Bonds remain outstanding, in any Proceeding involving the District, any Insolvent Taxpayer, any Series 2018 Bonds or any Special Assessments securing the Series 2018 Bonds, the District shall be obligated to act in accordance with direction from the Trustee with regard to all matters directly or indirectly affecting the Series 2018 Bonds or for as long as any such Series 2018 Bonds remain Outstanding.

The District further acknowledges and agrees in the Indenture that, although the Series 2018 Bonds were issued by the District, the Owners of the Series 2018 Bonds are categorically a party with a financial stake in the transaction and, consequently, a party with a vested interest in a Proceeding. In the event of any Proceeding involving any Insolvent Taxpayer:

(a) the District agrees in the Indenture that it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Series 2018 Special Assessments, the Series 2018 Bonds or any rights of the Trustee under the Indenture that is inconsistent with any direction from the Trustee; provided, however, that the Trustee shall be deemed to have consented, on behalf of the Majority Owners of Outstanding Series 2018 Bonds, to the proposed action if the District does not receive a written response from the Trustee within forty-five (45) days following request for consent;

(b) the Trustee shall have the right, but is not obligated to (unless directed by the Majority Owners of Outstanding Series 2018 Bonds and receipt by Trustee of indemnity satisfactory to the Trustee), (i) vote in any such Proceeding any and all claims of the District, except for any claims the District may have related to the District's operation and maintenance assessments or other claims unrelated to the Series 2018 Special Assessments and (ii) file any motion, pleading, plan or objection in any such Proceeding on behalf of the District, except for any claims the District may have related to the District's operation and maintenance assessments or other claims unrelated to the Series 2018 Special Assessments, including without limitation, motions seeking relief from the automatic stay, dismissal of the Proceeding, valuation of the property belonging to the Insolvent Taxpayer, termination of exclusivity, and objections to disclosure statements, plans of liquidation or reorganization, and motions for use of cash collateral, seeking approval of sales or post-petition financing; and, if the Trustee chooses to exercise any such rights (or is directed in writing by the Majority Owners of Outstanding Series 2018 Bonds and receipt by Trustee of indemnity satisfactory to the Trustee), the District shall be deemed to have appointed the Trustee as its agent and granted to the Trustee an irrevocable power of attorney coupled with an interest, and its proxy, for the purpose of exercising any and all rights and taking any and all actions available to the District in connection with any Proceeding of any Insolvent Taxpayer, including, without limitation, the right to file and/or prosecute any claims, to propose and prosecute a plan, to vote to accept or reject a plan, and to make any election under Section 1111(b) of the United States Bankruptcy Code; and

(c) the District shall not challenge the validity or amount of any claim submitted in such Proceeding by the Trustee in good faith or any valuations of the lands owned by any Insolvent Taxpayer submitted by the Trustee in good faith in such Proceeding or take any other action in such Proceeding, which is adverse to the Trustee's enforcement of the District claim with respect to the Series 2018 Special Assessments or receipt of adequate protection (as that term is defined in the United States Bankruptcy Code).

Without limiting the generality of the foregoing, the District agrees that the Trustee shall have the right (i) to file a proof of claim with respect to the Series 2018 Special Assessments, (ii) to deliver to the District a copy thereof, together with evidence of the filing with the appropriate court or other authority, and (iii) to defend any objection filed to said proof of claim.

Notwithstanding the provisions in the immediately preceding paragraphs, nothing in this section shall preclude the District from becoming a party to a Proceeding in order to enforce a claim for operation and maintenance assessments, and the District shall be free to pursue such a claim in such manner as it shall deem appropriate in its sole and absolute discretion. Any actions taken by the District in pursuance of its claim for operation and maintenance assessments in any Proceeding shall not be considered an action adverse or inconsistent with the Trustee's rights or directions with respect to the Series 2018 Special Assessments whether such claim is pursued by the District or the Trustee.

#### **Re-Assessment**

Pursuant to the Indenture, if any Series 2018 Special Assessment shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the District shall be satisfied that any such Special Assessment is so irregular or defective that the same cannot be enforced or collected, or if the District shall have omitted to make such Series 2018 Special Assessment when it might have done so, the District shall either (i) take all necessary steps to cause a new Series 2018 Special Assessment to be made for the whole or any part of the Series 2018 Project or against any property benefited by the Series 2018 Project, or (ii) in its sole discretion, make up the amount of such Series 2018 Special Assessment from any legally available moneys, which moneys shall be deposited into the Series 2018 Revenue Account. In case such second Series 2018 Special Assessment shall be annulled, the District shall obtain and make other Series 2018 Special Assessments until a valid Series 2018 Special Assessment shall be made.

## **THE SERIES 2018 SPECIAL ASSESSMENTS**

#### **General**

The primary sources of payment for the Series 2018 Bonds are the Series 2018 Special Assessments imposed on each parcel of benefited land within the District pursuant to the proceedings related to the Series 2018 Special Assessments. To the extent that landowners fail to pay such Series 2018 Special Assessments, delay payments, or are unable to pay the same, the prompt and successful pursuance of collection procedures available to the District will be essential to continued payment of principal and of interest of the Series 2018 Bonds. The Act provides for various methods of enforcing the collection of delinquent Series 2018 Special Assessments by reference to other provisions of the Florida Statutes. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" for a description of certain statutory provisions of assessment payment and collection procedures appearing in the Florida Statutes, but such section is qualified in its entirety by reference to such statutes.

THERE CAN BE NO ASSURANCE THAT ANY SALE OF LAND SUBJECT TO DELINQUENT SERIES 2018 SPECIAL ASSESSMENTS WILL PRODUCE PROCEEDS SUFFICIENT TO PAY THE FULL AMOUNT OF SUCH DELINQUENT SERIES 2018 SPECIAL ASSESSMENTS PLUS OTHER DELINQUENT TAXES AND ASSESSMENTS APPLICABLE THERETO.

Chapter 170, Florida Statutes, provides that special assessments, such as the Series 2018 Special Assessments, constitute a lien on the real property in the District co-equal with all State, County, school district and municipal taxes, superior in dignity to all other liens, titles and claims on such real property. ALTHOUGH THE LIEN AND THE PROCEEDS OF THE SERIES 2018 SPECIAL ASSESSMENTS WILL SECURE THE SERIES 2018 BONDS, AND SAID LIEN AND PROCEEDS OF THE SERIES 2018 SPECIAL ASSESSMENTS ARE PLEDGED EXCLUSIVELY TO THE SERIES 2018 BONDS, THE LIEN OF THE SERIES 2018 SPECIAL ASSESSMENTS MAY BE ON THE SAME PROPERTY AS, AND THEREFOR OVERLAP AND BE CO-EQUAL WITH, THE LIENS IN FAVOR OF OTHER ASSESSMENTS AND TAXES WHICH HAVE BEEN OR MAY BE IMPOSED BY THE DISTRICT, THE COUNTY, THE STATE, OR OTHER UNITS OF LOCAL GOVERNMENT HAVING ASSESSMENT AND TAXING POWERS WITHIN THE DISTRICT.

### **Structure and Prepayment of Series 2018 Special Assessments**

The Series 2018 Special Assessments are payable in substantially equal annual installments of principal and interest over an approximately 30-year period. According to the Assessment Resolutions, the Series 2018 Special Assessments may be paid in full without interest at any time within thirty (30) days after the completion of the Series 2018 Project and the adoption by the Board of a resolution accepting the Series 2018 Project; provided, however, this right will be waived by the initial landowners. At any time subsequent to thirty (30) days after the Series 2018 Project has been completed and a resolution accepting the Series 2018 Project has been adopted by the Board, the Series 2018 Special Assessments may be prepaid in full including interest amounts to the next succeeding interest payment date or to the second succeeding interest payment date if such prepayment is made within forty-five (45) calendar days before an interest payment date. The owner of property subject to Series 2018 Special Assessments may prepay the entire remaining balance of the Series 2018 Special Assessments or, one time, a portion of the remaining balance of the Series 2018 Special Assessment at any time if there is also paid, in addition to the prepaid principal balance of the Series 2018 Special Assessment, an amount equal to the interest that would otherwise be due on such prepaid amount on the next succeeding interest payment date, or, if prepaid during the forty-five (45) day period preceding such interest payment date, to the interest payment date following such next succeeding interest payment date.

The Series 2018 Bonds are subject to extraordinary mandatory redemption as indicated under "DESCRIPTION OF THE SERIES 2018 BONDS - Redemption Provisions for Series 2018 Bonds," from such Prepayments at the redemption price of par plus accrued interest to the date of such redemption. The prepayment of installments of Series 2018 Special Assessments does not entitle the owner of the property to a discount for early payment.

## **ENFORCEMENT OF ASSESSMENT COLLECTIONS**

### **General**

The primary source of payment for the Series 2018 Bonds is the collection of Series 2018 Special Assessments imposed on lands in the District specially benefited by the Series 2018 Project pursuant to the

Assessment Resolutions and Assessment Methodology. See "ASSESSMENT METHODOLOGY" herein and "APPENDIX B: ASSESSMENT REPORT."

The imposition, levy, and collection of Series 2018 Special Assessments must be done in compliance with the provisions of Florida law. Failure by the District, the Pasco County Tax Collector ("Tax Collector") or the Pasco County Property Appraiser ("Property Appraiser") to comply with such requirements could result in delay in the collection of, or the complete inability to collect, Series 2018 Special Assessments during any year. Such delays in the collection of Series 2018 Special Assessments, or complete inability to collect the Series 2018 Special Assessments, would have a material adverse effect on the ability of the District to make full or punctual payment of the debt service requirements on the Series 2018 Bonds. See "BONDOWNERS' RISKS." To the extent that landowners fail to pay the Series 2018 Special Assessments, delay payments, or are unable to pay the same, the successful pursuance of collection procedures available to the District is essential to continued payment of principal of and interest on the Series 2018 Bonds.

For the Series 2018 Special Assessments to be valid, the Series 2018 Special Assessments must meet two requirements: (1) the benefit from the Series 2018 Project to the lands subject to the Series 2018 Special Assessments must exceed or equal the amount of the Series 2018 Special Assessments, and (2) the Series 2018 Special Assessments must be fairly and reasonably allocated across all such benefitted properties. The Certificate of the Assessment Consultant to be delivered at the closing of the Series 2018 Bonds will certify that these requirements have been met with respect to the Series 2018 Special Assessments. In the event that the Series 2018 Special Assessments are levied based on assumptions that future contributions will be made, the Series 2018 Special Assessments may need to be reallocated in the event such contributions are not made.

Pursuant to the Act, and the Assessment Resolutions and Assessment Methodology, the District may collect the Series 2018 Special Assessments through a variety of methods. See "BONDOWNERS' RISKS." Initially, and for undeveloped properties owned by the Master Landowner and the Developer and subsequent landowners, the District will directly issue annual bills to landowners requiring payment of the Series 2018 Special Assessments, and will enforce that bill through foreclosure proceedings. See "ASSESSMENT METHODOLOGY" and "APPENDIX B: ASSESSMENT REPORT." As lands are developed, the Series 2018 Special Assessments will be added to the County tax roll and collected pursuant to the Uniform Method. The following is a description of certain statutory provisions relating to each of these collection methods. Such description is not intended to be exhaustive and is qualified in its entirety by reference to such statutes.

#### **Direct Billing & Foreclosure Procedure**

As noted above, and pursuant to Chapters 170 and 190 of the Florida Statutes, the District may directly levy, collect and enforce the Series 2018 Special Assessments. In this context, Section 170.10 of the Florida Statutes provides that upon the failure of any property owner to timely pay all or any part of the annual installment of principal and/or interest of a special assessment due, including the Series 2018 Special Assessments, the whole assessment, with the interest and penalties thereon, shall immediately become due and payable and subject to foreclosure. Generally stated, the governing body of the entity levying the special assessment, in this case the District, may foreclose by commencing a foreclosure proceeding in the same manner as the foreclosure of a real estate mortgage, or, alternatively, by commencing an action under Chapter 173, Florida Statutes, which relates to foreclosure of municipal tax and special assessment liens. Such proceedings are in rem, meaning that the action would be brought against the land, and not against the landowner. In light of the one year tolling period required before the District may commence a

foreclosure action under Chapter 173, Florida Statutes, it is likely the District would commence an action to foreclose in the same manner as the foreclosure of a real estate mortgage rather than proceeding under Chapter 173, Florida Statutes.

Enforcement of the obligation to pay Series 2018 Special Assessments and the ability to foreclose the lien of such Series 2018 Special Assessments upon the failure to pay such Series 2018 Special Assessments may not be readily available or may be limited because enforcement is dependent upon judicial action which is often subject to discretion and delay. Additionally, there is no guarantee that there will be demand for any foreclosed lands sufficient to repay the Series 2018 Special Assessments. See "BONDOWNERS' RISKS."

### **Uniform Method Procedure**

Subject to certain conditions, and for developed lands (as described above), the District may alternatively elect to collect the Series 2018 Special Assessments using the Uniform Method. The Uniform Method is available only in the event the District complies with statutory and regulatory requirements and enters into agreements with the Tax Collector and Property Appraiser providing for the Series 2018 Special Assessments to be levied and then collected in this manner.

If the Uniform Method is used, the Series 2018 Special Assessments will be collected together with County, school, special district, and other ad valorem taxes and non-ad valorem assessments (together, "Taxes and Assessments"), all of which will appear on the tax bill (also referred to as a "tax notice") issued to each landowner in the District. The statutes relating to enforcement of Taxes and Assessments provide that such Taxes and Assessments become due and payable on November 1 of the year when assessed, or as soon thereafter as the certified tax roll is received by the Tax Collector, and constitute a lien upon the land from January 1 of such year until paid or barred by operation of law. Such Taxes and Assessments – including the Series 2018 Special Assessments – are to be billed, and landowners in the District are required to pay, all Taxes and Assessments without preference in payment of any particular increment of the tax bill, such as the increment owing for the Series 2018 Special Assessments.

All Taxes and Assessments are payable at one time, except for partial payment schedules as may be provided by Florida law such as Sections 197.374 and 197.222, Florida Statutes. Partial payments made pursuant to Sections 197.374 and 197.222, Florida Statutes, are distributed in equal proportion to all taxing districts and levying authorities applicable to that account. If a taxpayer does not make complete payment of the total amount, he or she cannot designate specific line items on his or her tax bill as deemed paid in full. Therefore, in the event the Series 2018 Special Assessments are to be collected pursuant to the Uniform Method, any failure to pay any one line item, would cause the Series 2018 Special Assessments to not be collected to that extent, which could have a significant adverse effect on the ability of the District to make full or punctual payment of the debt service requirements on the Series 2018 Bonds.

Under the Uniform Method, if the Series 2018 Special Assessments are paid during November when due or during the following three months, the taxpayer is granted a variable discount equal to 4% in November and decreasing one percentage point per month to 1% in February. All unpaid Taxes and Assessments become delinquent on April 1 of the year following assessment.

The Tax Collector is required to collect the Taxes and Assessments on the tax bill prior to April 1 and, after that date, to institute statutory procedures upon delinquency to collect such Taxes and Assessments through the sale of "tax certificates," as discussed below. Delay in the mailing of tax notices

to taxpayers may result in a delay throughout this process. Neither the District nor the Underwriter can give any assurance to the holders of the Series 2018 Bonds (1) that the past experience of the Tax Collector with regard to tax and special assessment delinquencies is applicable in any way to the Series 2018 Special Assessments, (2) that future landowners and taxpayers in the District will pay such Series 2018 Special Assessments, (3) that a market may exist in the future for tax certificates in the event of sale of such certificates for taxable units within the District, and (4) that the eventual sale of tax certificates for real property within the District, if any, will be for an amount sufficient to pay amounts due under the Assessment Resolutions and Assessment Methodology to discharge the lien of the Series 2018 Special Assessments and all other liens that are coequal therewith.

Collection of delinquent Series 2018 Special Assessments under the Uniform Method is, in essence, based upon the sale by the Tax Collector of "tax certificates" and remittance of the proceeds of such sale to the District for payment of the Series 2018 Special Assessments due. Prior to the sale of tax certificates, the landowner may bring current the delinquent Taxes and Assessments and cancel the tax certificate process by paying the total amount of delinquent Taxes and Assessments plus all applicable interest, costs and charges. If the landowner does not act, the Tax Collector is required to attempt to sell tax certificates by public bid to the person who pays the delinquent Taxes and Assessments owing, and any applicable interest, costs and charges, and who accepts the lowest interest rate per annum to be borne by the certificates (but not more than 18%).

If there are no bidders, the tax certificate is issued to the County. The County is to hold, but not pay for, the tax certificate with respect to the property, bearing interest at the maximum legal rate of interest, which is currently 18%. The Tax Collector does not collect any money if tax certificates are issued, or struck off, to the County. The County may sell such certificates to the public at any time after issuance, but before a tax deed application is made, at the face amount thereof plus interest at the rate of not more than 18% per annum, costs and charges. Proceeds from the sale of tax certificates are required to be used to pay Taxes and Assessments (including the Series 2018 Special Assessments), interest, costs and charges on the real property described in the certificate.

Any tax certificate in the hands of a person other than the County may be redeemed and canceled, in whole or in part (under certain circumstances), at any time before a tax deed is issued (unless full payment for a tax deed is made to the clerk of court, including documentary stamps and recording fees), at a price equal to the face amount of the certificate or portion thereof together with all interest, costs, and charges due. Regardless of the interest rate actually borne by the certificates, persons redeeming tax certificates must pay a minimum interest rate of 5%, unless the rate borne by the certificates is zero percent. The proceeds of such a redemption are paid to the Tax Collector who transmits to the holder of the tax certificate such proceeds less service charges, and the certificate is canceled. Redemption of tax certificates held by the County is effected by purchase of such certificates from the County, as described above.

Any holder, other than the County, of a tax certificate that has not been redeemed has seven years from the date of issuance of the tax certificate during which to act against the land that is the subject of the tax certificate. After an initial period ending two years from April 1 of the year of issuance of a certificate, during which period actions against the land are held in abeyance to allow for sales and redemptions of tax certificates, and before the expiration of seven years from the date of issuance, the holder of a certificate may apply for a tax deed to the subject land. The applicant is required to pay to the Tax Collector at the time of application all amounts required to redeem or purchase all other outstanding tax certificates covering the land, plus interest, any omitted taxes or delinquent taxes and interest, and current taxes, if due (as well as any costs of resale, if applicable). If the County holds a tax certificate on property valued at

\$5,000 or more and has not succeeded in selling it, the County must apply for a tax deed two years after April 1 of the year of issuance of the certificate or as soon thereafter as is reasonable. The County pays costs and fees to the Tax Collector but not any amount to redeem any other outstanding certificates covering the land. Thereafter, the property is advertised for public sale.

In any such public sale conducted by the Clerk of the Circuit Court, the private holder of the tax certificate who is seeking a tax deed for non-homestead property is deemed to submit a minimum bid equal to the amount required to redeem the tax certificate, charges for the cost of sale, including costs incurred for the service of notice required by statute, redemption of other tax certificates on the land, and all other costs to the applicant for the tax deed, plus interest thereon. In the case of homestead property, the minimum bid is also deemed to include, in addition to the amount of money required for the minimum bid on non-homestead property, an amount equal to one-half of the latest assessed value of the homestead. If there are no higher bids, the holder receives title to the land, and the amounts paid for the certificate and in applying for a tax deed are credited toward the purchase price. The holder is also responsible for payment of any amounts included in the bid not already paid, including but not limited to, documentary stamp tax, recording fees, and, if property is homestead property, the moneys to cover the one-half value of the homestead. If there are other bids, the holder may enter the bidding. The highest bidder is awarded title to the land. The portion of proceeds of such sale needed to redeem the tax certificate, together with all subsequent unpaid taxes plus the costs and expenses of the application for deed, with interest on the total of such sums, are forwarded to the holder thereof or credited to such holder if such holder is the successful bidder. Excess proceeds are distributed first to satisfy governmental liens against the land and then to the former title holder of the property (less service charges), lienholder of record, mortgagees of record, vendees of recorded contracts for deeds, and other lienholders and any other person to whom the land was last assessed on the tax roll for the year in which the land was assessed, all as their interest may appear. If the property is purchased for an amount in excess of the statutory bid of the certificate holder, but such excess is not sufficient to pay all governmental liens of record, the excess shall be paid to each governmental unit pro rata.

Except for certain governmental liens and certain restrictive covenants and restrictions, no right, interest, restriction or other covenant survives the issuance of a tax deed. Thus, for example, outstanding mortgages on property subject to a tax deed would be extinguished.

If there are no bidders at the public sale, the clerk shall enter the land on a list entitled "lands available for taxes" and shall immediately notify the County Commission that the property is available. At any time within ninety (90) days from the date the property is placed on the list, the County may purchase the land for the opening bid, or may waive its rights to purchase the property. Thereafter, and without further notice or advertising, any person, the County or any other governmental unit may purchase the land by paying the amount of the opening bid. Ad valorem taxes and non-ad valorem assessments accruing after the date of public sale do not require repetition of the bidding process but are added to the minimum bid. Three years from the date the property was offered for sale, unsold lands escheat to the County in which they are located, free and clear, and all tax certificates and liens against the property are canceled and a deed is executed vesting title in the governing board of such County.

There can be no guarantee that the Uniform Method will result in the payment of Series 2018 Special Assessments. For example, the demand for tax certificates is dependent upon various factors, which include the rate of interest that can be earned by ownership of such certificates and the underlying value of the land that is the subject of such certificates and which may be subject to sale at the demand of the certificate holder. Therefore, the underlying market value of the property within the District may affect

the demand for certificates and the successful collection of the Series 2018 Special Assessments, which are the primary source of payment of the Series 2018 Bonds. Additionally, legal proceedings under Federal bankruptcy law brought by or against a landowner who has not yet paid his or her property taxes or assessments would likely result in a delay in the sale of tax certificates. See "BONDOWNERS' RISKS."

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**ESTIMATED SOURCES AND USES OF THE SERIES 2018 BOND PROCEEDS**

**Sources:**

Par Amount of Series 2018 Bonds	\$10,180,000.00
<b>Total Sources</b>	<b>\$10,180,000.00</b>

**Uses:**

Deposit to Series 2018 Acquisition and Construction Account	\$8,623,818.75
Deposit to Series 2018 Debt Service Reserve Account	346,253.75
Deposit to Series 2018 Interest Account	806,327.50
Deposit to Series 2018 Costs of Issuance Account	200,000.00
Underwriter's Discount	203,600.00
<b>Total Uses</b>	<b>\$10,180,000.00</b>

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The following table sets forth the scheduled debt service on the Series 2018 Bonds:

**DEBT SERVICE REQUIREMENTS**

<u>Period Ending November 1,</u>	<u>Series 2018 Principal</u>	<u>Series 2018 Interest</u>	<u>Total Series 2018 Debt Service</u>
2019	-	\$ 540,017.50	\$ 540,017.50
2020	-	532,620.00	532,620.00
2021	\$ 160,000	529,260.00	689,260.00
2022	165,000	522,435.00	687,435.00
2023	175,000	515,295.00	690,295.00
2024	180,000	507,457.50	687,457.50
2025	190,000	498,901.25	688,901.25
2026	200,000	489,882.50	689,882.50
2027	210,000	480,401.25	690,401.25
2028	220,000	470,457.50	690,457.50
2029	230,000	459,275.00	689,275.00
2030	245,000	446,687.50	691,687.50
2031	255,000	433,437.50	688,437.50
2032	270,000	419,525.00	689,525.00
2033	285,000	404,817.50	689,817.50
2034	300,000	389,315.00	689,315.00
2035	315,000	373,017.50	688,017.50
2036	335,000	355,792.50	690,792.50
2037	355,000	337,507.50	692,507.50
2038	370,000	318,295.00	688,295.00
2039	390,000	298,155.00	688,155.00
2040	415,000	276,615.00	691,615.00
2041	435,000	253,665.00	688,665.00
2042	460,000	229,500.00	689,500.00
2043	485,000	203,985.00	688,985.00
2044	515,000	176,985.00	691,985.00
2045	540,000	148,500.00	688,500.00
2046	570,000	118,530.00	688,530.00
2047	605,000	86,805.00	691,805.00
2048	635,000	53,325.00	688,325.00
2049	<u>670,000</u>	<u>18,090.00</u>	<u>688,090.00</u>
TOTAL	\$10,180,000	\$10,888,552.50	\$21,068,552.50

## **BONDOWNERS' RISKS**

There are certain risks inherent in an investment in bonds secured by special assessments issued by a public authority or governmental body in the State of Florida. Certain of such risks are associated with the Series 2018 Bonds offered hereby and are set forth below. This section does not purport to summarize all risks that may be associated with purchasing or owning the Series 2018 Bonds and prospective purchasers are advised to read this Limited Offering Memorandum, including all appendices hereto, in its entirety to identify investment considerations relating to the Series 2018 Bonds. Prospective investors in the Series 2018 Bonds should have such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Series 2018 Bonds and have the ability to bear the economic risks of such prospective investment, including a complete loss of such investment.

### **Limited Pledge**

The principal security for the payment of the principal of and interest on the Series 2018 Bonds is the timely collection of the Series 2018 Special Assessments. Recourse for the failure of any landowner to pay the Series 2018 Special Assessments, or otherwise fail to comply with its obligations, is limited to the collection proceedings against the land, which proceedings differ depending on whether the Series 2018 Special Assessments are being collected pursuant to the Uniform Method or by the District. The Series 2018 Special Assessments do not constitute a personal indebtedness of the landowners, but are secured only by a lien on the land in the Assessment Area. The District has not granted, and may not grant under Florida law, a mortgage or security interest on any land subject to the Series 2018 Special Assessments. Furthermore, the District has not pledged the revenues, if any, from the operation of any portion of the Series 2018 Project as security for, or a source of payment of, the Series 2018 Bonds. The Master Landowner and the Developer are not guarantors of payment of any Series 2018 Special Assessments and the recourse for the Master Landowner's or the Developer's failure to pay the Series 2018 Special Assessments on any land owned by the Master Landowner or the Developer in the Assessment Area, like any landowner, is limited to the collection proceedings against such land. Several mortgage lenders have in the past, raised legal challenges to the primacy of liens similar to those of the Series 2018 Special Assessments in relation to the liens of mortgages burdening the same real property. There can be no assurance that mortgage lenders will not challenge the priority of the lien status of the Series 2018 Special Assessments in the event that actions are taken to foreclose on any property in the Assessment Area.

### **Bankruptcy and Related Risks**

The various legal opinions to be delivered concurrently with the delivery of the Series 2018 Bonds (including Bond Counsel's approving opinion) will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. Under existing constitutional and statutory law and judicial decisions, in the event of the institution of bankruptcy or similar proceedings with respect to any landowner, including the Master Landowner and the Developer, if applicable, the remedies specified by federal, state and local law and in the Indenture and the Series 2018 Bonds, including, without limitation, enforcement of the obligation to pay the Series 2018 Special Assessments may not be readily available or may be limited. Bankruptcy can also affect the ability of (1) the landowner being able to pay the Series 2018 Special Assessments; (2) the Tax Collector being able to sell tax certificates related to land owned by a landowner in bankruptcy, to the extent the Uniform Method is being utilized for collecting the Series 2018 Special Assessments, and (3) the inability of the District to foreclose the lien of the Series

2018 Special Assessments not being collected by the Uniform Method. Any such adverse effect, either partially or fully, on the ability to enforce such remedies could have a material adverse effect on the District's ability to make the full or punctual payment of debt service on the Series 2018 Bonds.

### **Delay and Discretion Regarding Remedies**

The remedies available to the owners of the Series 2018 Bonds are in many respects dependent upon judicial actions which are often subject to discretion and delay. In addition to legal delays that could result from bankruptcy, the ability of the District to enforce collection of delinquent Series 2018 Special Assessments will be dependent upon various factors, including the delay inherent in any judicial proceeding and the value of the land which is the subject of such proceedings and which may be subject to sale. In addition, if the District commences a foreclosure action against a landowner for nonpayment of Series 2018 Special Assessments, such landowner might raise affirmative defenses to such foreclosure action, which affirmative defenses could result in delays in completing the foreclosure action.

### **Limitation on Funds Available to Exercise Remedies**

In the event of a default by a landowner in payment of Series 2018 Special Assessments, if the Series 2018 Special Assessments are not collected under the Uniform Method, the District is required under the Indenture to fund the costs of foreclosure. It is possible that the District will not have sufficient funds therefor and will be compelled to request the owners of the Series 2018 Bonds to allow funds on deposit under the Indenture to be used to pay such costs. Under the Code, there are limitations on the amount of Series 2018 Bond proceeds that can be used for such purposes. As a result, there may be insufficient funds for the exercise of remedies.

### **Determination of Land Value upon Default**

To the extent that any portion of the Series 2018 Special Assessments are being collected by the Uniform Method, the ability of the Tax Collector to sell tax certificates, and to the extent that any portion of the Series 2018 Special Assessments are not being collected by the Uniform Method, the ability of the District to sell land upon foreclosure, both will be dependent upon various factors, including the interest rate which can be earned by ownership of such certificates and the value of the land which is the subject of such certificates and which may be subject to sale at the demand of the certificate holder after two years. The determination of the benefits to be received by the benefitted land within the District as a result of implementation and development of the Series 2018 Project is not indicative of the realizable or market value of the land, which value may actually be higher or lower than the assessment of benefits. In other words, the value of the land could potentially be ultimately less than the debt secured by the Series 2018 Special Assessments associated with it. To the extent that the realizable or market value of the land is lower than the assessment of benefits, the ability of the Tax Collector to sell tax certificates relating to such land, or the District to sell such land upon foreclosure, may be adversely affected. Such adverse effect could render the District unable to collect delinquent Series 2018 Special Assessments, if any, and could negatively impact the ability of the District to make the full or punctual payment of Debt Service on the Series 2018 Bonds.

### **Landowner Challenge of Assessed Valuation**

Florida law provides a procedure whereby a taxpayer may contest a "tax assessment." It is unclear whether this procedure applies to non-ad valorem assessments such as the Series 2018 Special Assessments

and there are judicial decisions that support both views. Under the procedure, a taxpayer may bring suit to contest a "tax assessment" if the taxpayer pays the amount of "tax" that the taxpayer admits to owing. Upon the making of such payment, all procedures for the collection of the unpaid taxes are suspended until the suit is resolved. If it is determined that the procedure applies to non-ad valorem assessments such as the Series 2018 Special Assessments, it is possible that such a challenge could result in collection procedures for delinquent Series 2018 Special Assessments being held in abeyance until the challenge is resolved. This would result in a delay in the collection of the Series 2018 Special Assessments which could have a material adverse effect upon the ability of the District to timely make full or punctual payment of debt service on the Series 2018 Bonds. If the Series 2018 Special Assessments are being collected along with ad valorem taxes pursuant to the Uniform Method, tax certificates will not be sold while the challenge is pending with respect to the Series 2018 Special Assessments even if the landowner is not contesting the amount of such special assessments.

### **Failure to Comply with Assessment Proceedings**

The District is required to comply with statutory procedures in levying the Series 2018 Special Assessments. Failure of the District to follow these procedures could result in the Series 2018 Special Assessments not being levied or potential future challenges to such levy.

### **Other Taxes**

The willingness and/or ability of a landowner within the Assessment Area to pay the Series 2018 Special Assessments could be affected by the existence of other taxes and assessments imposed upon the property. Public entities whose boundaries overlap those of the District, such as a county, a school board, a municipality and other special districts, could, without the consent of the owners of the land within the Assessment Area, impose additional taxes or assessments on the property within the Assessment Area. County, municipal, school and special district taxes and assessments, including the Series 2018 Special Assessments, are payable at the same time when collected under the Uniform Method. If a taxpayer does not make complete payment, he or she cannot designate specific line items on the tax bill as deemed paid in full. In such case, the Tax Collector does not accept partial payment. Therefore, any failure by a landowner to pay any one line item, whether or not it is the Series 2018 Special Assessments, would result in such landowner's Series 2018 Special Assessments to not be collected, which could have a significant adverse impact on the District's ability to make full or punctual payment of debt service on the Series 2018 Bonds.

The District may also impose additional assessments which could encumber the property burdened by the Series 2018 Special Assessments. The District anticipates imposing operation and maintenance assessments encumbering the same property encumbered by the Series 2018 Special Assessments. In addition, lands within the District may also be subject to assessments by property and home owner associations.

### **Inadequacy of Reserve**

Some of the risk factors described herein, if materialized, could result in a delay in the collection of the Series 2018 Special Assessments or a failure to collect the Series 2018 Special Assessments, but may not affect the timely payment of debt service on the Series 2018 Bonds because of the Series 2018 Debt Service Reserve Account established by the District for the Series 2018 Bonds. However, the ability of the District to fund deficiencies caused by delinquent or delayed Series 2018 Special Assessments is dependent upon

the amount, duration and frequency of such deficiencies or delays. If the District has difficulty in collecting the Series 2018 Special Assessments, the Series 2018 Debt Service Reserve Account could be rapidly depleted and the ability of the District to pay debt service could be materially adversely affected. Owners should note that although the Indenture contains the Series 2018 Debt Service Reserve Requirement for the Series 2018 Debt Service Reserve Account, and a corresponding obligation on the part of the District to replenish the Series 2018 Debt Service Reserve Account to the Series 2018 Debt Service Reserve Requirement, the District does not have a designated revenue source for replenishing the Series 2018 Debt Service Reserve Account. Moreover, the District will not be permitted to re-assess real property then burdened by the Series 2018 Special Assessments in order to provide for the replenishment of the Series 2018 Debt Service Reserve Account.

Moneys on deposit in the Series 2018 Debt Service Reserve Account may be invested in certain obligations permitted under the Indenture. Fluctuations in interest rates and other market factors could affect the amount of moneys available in the Series 2018 Debt Service Reserve Account to make up deficiencies or delays in collection of Series 2018 Special Assessments.

### **Economic Conditions**

The proposed Development may be affected by changes in general economic conditions, fluctuations in the real estate market and other factors beyond the control of the landowners or the District. Although the Developer expects to develop lots and build homes to sell to end users, there can be no assurance that such sales will occur or be realized in the manner currently anticipated.

### **Concentration of Land Ownership**

Until further development and lot and/or home sales take place in the Assessment Area, payment of the Series 2018 Special Assessments is dependent upon their timely payment by the Master Landowner and the Developer. At closing of the sale of the Series 2018 Bonds it is expected that the Assessment Area will continue to be owned either directly or indirectly by the Master Landowner and the Developer. In the event of the institution of bankruptcy or similar proceedings with respect to the Master Landowner or the Developer or any other subsequent significant owner of property within the District, delays could most likely occur in the payment of debt service on the Series 2018 Bonds. Such bankruptcy could negatively impact the ability of: (i) the Master Landowner or the Developer or other landowner being able to pay the Series 2018 Special Assessments; (ii) the Tax Collector to sell tax certificates in relation to such property with respect to the Series 2018 Special Assessments being collected pursuant to the Uniform Method; and (iii) the District to foreclose the lien of any Series 2018 Special Assessments not being collected pursuant to the Uniform Method. The Uniform Method will not be used (a) with respect to any assessable lands which are still owned by the Developer or Master Landowner or an entity affiliated with the Developer or Master Landowner until such time as lots are platted unless, in an Event of Default, a majority of the owners of the Series 2018 Bonds Outstanding directs the District to use the Uniform Method, (b) where the timing for using the Uniform Method will not yet allow for using such method, or (c) if the District determines that it is not in its best interest to do so.

### **Undeveloped Land**

The acreage in the Assessment Area and encumbered by the Series 2018 Special Assessments is substantially undeveloped. The ultimate successful development of the acreage in the Assessment Area

depends on several factors discussed herein. There is no assurance that the Developer will be successful in developing part or all of the undeveloped acreage.

### **Change in Development Plans**

The Developer has the right to modify or change plans for development of property within the Assessment Area and Development, from time to time, including, without limitation, land use changes, changes in the overall land and phasing plans, and changes to the type, mix, size and number of units to be developed, and may seek in the future, in accordance with, and subject to the provisions of the Act, to contract or expand the boundaries of the District.

### **Bulk Sale of Land in the Assessment Area**

The Master Landowner and the Developer may make bulk sales of all or a portion of the Assessment Area at any time. Bulk sale agreements, including those described herein, may be canceled or amended, without the consent of the District or any other party. Such changes could affect the purchase price of, delivery timing and/or development of lots within the District that is otherwise described herein.

### **Completion of the CIP**

The Series 2018 Bond proceeds will not be sufficient to finance the completion of the CIP. The portions of the CIP not funded with proceeds of the Series 2018 Bonds have been, and are expected to continue to be, funded with contributions from the Developer. There is no assurance that the Developer will be able to pay for the cost of any of these improvements.

Upon issuance of the Series 2018 Bonds, the Developer and the Master Landowner will execute and deliver to the District the Collateral Assignment, pursuant to which the Developer and the Master Landowner will collaterally assign to the District, to the extent assignable and to the extent that they are solely owned or controlled by the Developer or Master Landowner, as applicable, all of its development rights relating to the CIP and the Development as security for Developer's and Master Landowner's payment and performance and discharge of its obligation to pay the Series 2018 Special Assessments. However, there can be no assurance, that the District will have sufficient moneys on hand to complete the CIP or that the District will be able to raise through the issuance of bonds, or otherwise, the moneys necessary to complete the CIP. Pursuant to the Indenture, the District will covenant not to issue any other Bonds or other debt obligations secured by Special Assessments levied against the Assessment Area to finance any capital project until the Series 2018 Special Assessments are Substantially Absorbed. Such covenant shall not prohibit the District from issuing refunding bonds or other Bonds secured by other special assessments to finance any other capital project that is necessary, as determined by the District, for health, safety, or welfare reasons or to remediate any natural disaster, catastrophic damage or failure with respect to the CIP. Undeveloped or partially developed land is inherently less valuable than developed land and provides less security to the owners of the Series 2018 Bonds should it be necessary to institute proceedings due to the nonpayment of the Series 2018 Special Assessments. Failure to complete or substantial delays in the completion of the CIP due to litigation or other causes may reduce the value of the lands in the District and increase the length of time during which Series 2018 Special Assessments will be payable from undeveloped property and may affect the willingness and ability of the landowners to pay the Series 2018 Special Assessments when due and likewise the ability of the District to make full or punctual payment of debt service on the Series 2018 Bonds.

## **Regulatory and Environmental Risks**

The Development is subject to comprehensive federal, state and local regulations and future changes to such regulations. Approval is required from various public agencies in connection with, among other things, the design, nature and extent of planned improvements, both public and private, and construction of the infrastructure in accordance with applicable zoning, land use and environmental regulations. Although all such approvals required to date have been received and any further approvals are anticipated to be received as needed, failure to obtain any such approvals in a timely manner could delay or adversely affect the completion of the development of the District lands.

The value of the land within the District, the ability to complete the CIP, or to develop the Development and the likelihood of timely payment of debt service on the Series 2018 Bonds could be affected by environmental factors with respect to the lands in the District, such as contamination by hazardous materials. No assurance can be given that unknown hazardous materials, protected animals or vegetative species, etc., do not currently exist or may not develop in the future whether originating within the District or from surrounding property, and what effect such may have on the development of the District lands. The District has not performed, nor has the District requested that there be performed on its behalf, any independent assessment of the environmental conditions within the District.

## **District May Not be Able to Obtain Permits**

In connection with a foreclosure of the lien of assessments prior to completion of development, the Circuit Court in and for Lake County, Florida concluded that a community development district had no right, title or interest in any permits and approvals owned by the owner of the parcels so foreclosed. As discussed above, the District and the Developer and Master Landowner will enter into a Collateral Assignment upon issuance of the Series 2018 Bonds in which the Developer and Master Landowner collaterally assign to the District all of Developer's and Master Landowner's, as applicable, development rights and contract rights relating to the CIP as to lands owned by Developer and Master Landowner. Notwithstanding the foregoing, in the event that the District forecloses on the property subject to the lien of the Series 2018 Special Assessments, to enforce payment thereof, the District may not have the right, title or interest in the permits and approvals owned by the landowners and failure to obtain any such permits or approvals in a timely manner could delay or adversely affect the completion of the development of the District lands.

## **Damage to District from Natural Disasters**

The value of the lands subject to the Series 2018 Special Assessments could be adversely affected by flooding or wind damage caused by hurricanes, tropical storms, or other catastrophic events. In addition to potential damage or destruction to any existing development or construction in or near the District, such catastrophic events could potentially render the District lands unable to support the development and construction of the CIP. The occurrence of any such events could materially adversely affect the District's ability to collect Series 2018 Special Assessments and pay debt service on the Series 2018 Bonds. The Series 2018 Bonds are not insured and the District's casualty insurance policies do not insure against losses incurred on private lands within its boundaries.

## **Limited Secondary Market**

The Series 2018 Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Series 2018 Bonds in the event an owner thereof determines to solicit purchasers of the Series 2018 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2018 Bonds may be sold. Such price may be lower than that paid by the current owner of the Series 2018 Bonds, depending on the progress of the Development, existing market conditions and other factors.

## **Interest Rate Risk; No Rate Adjustment for Taxability**

The interest rate borne by the Series 2018 Bonds is, in general, higher than interest rates borne by other bonds of political subdivisions that do not involve the same degree of risk as investment in the Series 2018 Bonds. These higher interest rates are intended to compensate investors in the Series 2018 Bonds for the risk inherent in the purchase of the Series 2018 Bonds. However, such higher interest rates, in and of themselves, increase the amount of Series 2018 Special Assessments that the District must levy in order to provide for payment of debt service on the Series 2018 Bonds, and, in turn, may increase the burden of landowners within the District, thereby possibly increasing the likelihood of non-payment or delinquency in payment of such Series 2018 Special Assessments.

The Indenture does not contain an adjustment of the interest rate on the Series 2018 Bonds in the event of a determination of taxability of the interest thereon. Such a change could occur as a result of the District's failure to comply with tax covenants contained in the Indenture or the tax certificate signed by the District upon issuance of the Series 2018 Bonds or due to a change in the United States income tax laws. Should interest on the Series 2018 Bonds become includable in gross income for federal income tax purposes, owners of the Series 2018 Bonds will be required to pay income taxes on the interest received on such Series 2018 Bonds and related penalties. Because the interest rate on such Series 2018 Bonds will not be adequate to compensate owners of the Series 2018 Bonds for the income taxes due on such interest, the value of the Series 2018 Bonds may decline. Prospective purchasers of the Series 2018 Bonds should evaluate whether they can own the Series 2018 Bonds in the event that the interest on the Series 2018 Bonds becomes taxable and/or the District is ever determined to not be a political subdivision for purposes of the Code and/or Securities Act.

## **IRS Audit and Examination Risk**

The Internal Revenue Service (the "IRS") routinely examines bonds issued by state and local governments, including bonds issued by community development districts. There is no assurance that an audit by the IRS of the Series 2018 Bonds will not be commenced. Owners of the Series 2018 Bonds are advised that, if the IRS does audit the Series 2018 Bonds, under its current procedures, at least during the early stages of an audit, the IRS will treat the District as the taxpayer, and the owners of the Series 2018 Bonds may have limited rights to participate in such procedure.\* The commencement of such an audit could adversely affect the market value and liquidity of the Series 2018 Bonds until the audit is concluded, regardless of the ultimate outcome. In addition, in the event of an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2018 Bonds, it is unlikely the District will have available revenues to enable it to contest such determination or enter into a voluntary financial settlement with the IRS. An adverse determination by the IRS with respect to the tax-exempt status of interest on the

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\* Owners of the Series 2018 Bonds are advised to consult with their own tax advisors regarding their rights (if any) with respect to such audit.

Series 2018 Bonds may adversely impact any secondary market for the Series 2018 Bonds, and, if a secondary market exists, will likely adversely impact the price for which the Series 2018 Bonds may be sold.

It has been reported that the IRS has recently closed audits of other community development districts in Florida with no change to such districts' bonds' tax exempt status, but has advised such districts that such districts must have public electors within five years of the issuance of tax-exempt bonds or their bonds may be determined to be taxable retroactive to the date of issuance. Pursuant to the Act, general elections are not held until the later of six years from the date of establishment of the community development district or the time at which there are at least 250 qualified electors in the district. The District, was formed with the intent that it will contain a sufficient number of residents to allow for a transition to control by a general electorate. Currently, all of the members of the Board of the District were elected by the landowners, and none were elected by qualified electors. There can be no assurance that an audit by the IRS of the Series 2018 Bonds will not be commenced. The District has no reason to believe that any such audit will be commenced, or that any such audit, if commenced, would result in a conclusion of noncompliance with any applicable state or federal law.

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2018 Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2018 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2018 Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Series 2018 Bonds. In addition, the IRS may, in the future, issue rulings that have the effect of changing the interpretation of existing tax laws. For example, in connection with federal deficit reduction, job creation and tax law reform efforts, proposals have been made and others are likely to be made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Series 2018 Bonds. There can be no assurance that any such legislation or proposal will be enacted, and if enacted, what form it may take. The introduction or enactment of any such legislative proposals may affect, perhaps significantly, the market price for or marketability of the Series 2018 Bonds.

### **Florida Village Center CDD TAM**

The IRS recently concluded its lengthy examination of certain issues of bonds (for purposes of this paragraph, the "Audited Bonds") issued by Village Center Community Development District (the "Village Center CDD"). During the course of the audit of the Audited Bonds, Village Center CDD received a ruling dated May 30, 2013, in the form of a non-precedential technical advice memorandum ("TAM") concluding that Village Center CDD is not a political subdivision for purposes of Section 103(a) of the Code (as defined below) because Village Center CDD was organized and operated to perpetuate private control and avoid indefinitely responsibility to an electorate, either directly or through another elected state or local government body. Such a conclusion could lead to the further conclusion that the interest on the Audited Bonds was not excludable from gross income of the owners of such bonds for federal income tax purposes. Village Center CDD received a second TAM dated June 17, 2015, which granted relief to Village Center CDD from retroactive application of the IRS's conclusion regarding its failure to qualify as a political subdivision. Prior to the conclusion of the audits, the Audited Bonds were all refunded with taxable bonds. The audit of the Audited Bonds that were issued for utility improvements were closed without change to the tax exempt status of those Audited Bonds on April 25, 2016, and the audit of the remainder of the

Audited Bonds (which funded recreational amenity acquisitions from entities related to the principal landowner in the Village Center CDD) was closed on July 14, 2016, without the IRS making a final determination that the interest on the Audited Bonds in question was required to be included in gross income. However, the IRS letter to the Village Center CDD with respect to this second set of Audited Bonds noted that the IRS found that the Village Center CDD was not a "proper issuer of tax-exempt bonds" and that those Audited Bonds were private-activity bonds that did not fall in any of the categories that qualify for tax-exemption. Although the TAMs and the letters to the Village Center CDD from the IRS referred to above are addressed to, and binding only on, the IRS and Village Center CDD in connection with the Audited Bonds, they reflect the audit position of the IRS, and there can be no assurance that the IRS would not commence additional audits of bonds issued by other community development districts raising issues similar to the issues raised in the case of the Audited Bonds based on the analysis set forth in the first TAM or on the related concerns addressed in the July 14, 2016 letter to the Village Center CDD.

### **Legislative Proposals and State Tax Reform**

It is impossible to predict what new proposals may be presented regarding ad valorem tax reform and/or community development districts during upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Florida Senate and House of Representatives and signed by the Governor of the State of Florida, and, if adopted, the form thereof. It is impossible to predict with certainty the impact that any pending or future legislation will or may have on the security for the Series 2018 Bonds.

### **Loss of Exemption from Securities Registration**

Since the Series 2018 Bonds have not been, and will not be, registered under the Securities Act, or any state securities laws, because of the exemption for political subdivisions regardless of any potential IRS determination that the District is not a political subdivision for purposes of the Code, it is possible that federal or state regulatory authorities could independently determine that the District is not a political subdivision for purposes of the federal and state securities laws. Accordingly, the District and purchasers of the Series 2018 Bonds may not be able to rely on the exemption from registration relating to securities issued by political subdivisions. In that event, the owners of the Series 2018 Bonds would need to ensure that subsequent transfers of the Series 2018 Bonds are made pursuant to a transaction that is not subject to the registration requirements of the Securities Act.

### **Performance of District Professionals**

The District has represented to the Underwriter that it has selected its District Manager, District Counsel, District Engineer, Methodology Consultant, Trustee and other professionals with the appropriate due diligence and care. While the foregoing professionals have each represented that they have the respective requisite experience to accurately and timely perform the duties assigned to them in such roles, the District does not guarantee the performance of such professionals.

### **Mortgage Default and FDIC**

In the event a bank forecloses on property in the Assessment Area because of a default on a mortgage with respect thereto and then the bank itself fails, the Federal Deposit Insurance Corporation (the "FDIC"), as receiver, will then become the fee owner of such property. In such event, the FDIC will not, pursuant to its own rules and regulations, likely be liable to pay the Series 2018 Special Assessments. In

addition, the District would be required to obtain the consent of the FDIC prior to commencing a foreclosure action on such property for failure to pay Series 2018 Special Assessments.

The risks described under this "BONDOWNERS' RISKS" section does not purport to summarize all risks that may be associated with purchasing or owning the Series 2018 Bonds and prospective purchasers are advised to read this Limited Offering Memorandum in its entirety, to visit the District and to ask questions of representatives of the District to obtain a more complete description of investment considerations relating to the Series 2018 Bonds.

## TAX MATTERS

### General

The Code establishes certain requirements which must be met subsequent to the issuance of the Series 2018 Bonds in order that interest on the Series 2018 Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the Series 2018 Bonds to be included in federal gross income retroactive to the date of issuance of the Series 2018 Bonds, regardless of the date on which such non-compliance occurs or is ascertained. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the Series 2018 Bonds and the other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The District has covenanted in the Indenture with respect to the Series 2018 Bonds to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the Series 2018 Bonds.

In the opinion of Bond Counsel, assuming compliance with certain covenants, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2018 Bonds (including any original issue discount properly allocable to the owner thereof) is excluded from gross income for purposes of federal income taxation. Interest on the Series 2018 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. However, interest on the Series 2018 Bonds shall be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations for taxable years that begin prior to January 1, 2018. The alternative minimum tax on corporations was repealed for taxable years beginning on and after January 1, 2018.

Except as described above, Bond Counsel will express no opinion regarding other federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of Series 2018 Bonds. Prospective purchasers of Series 2018 Bonds should be aware that the ownership of Series 2018 Bonds may result in collateral federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Series 2018 Bonds; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including interest on Series 2018 Bonds; (iii) the inclusion of interest on Series 2018 Bonds in earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of interest on Series 2018 Bonds in passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; and (v) the inclusion of interest on Series 2018 Bonds in "modified adjusted gross income" by recipients of certain Social Security and Railroad Retirement benefits for the purposes of determining whether such benefits are included in gross income for federal income tax purposes.

As to questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of the District, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the Series 2018 Bonds and of the property financed or refinanced thereby), without undertaking to verify the same by independent investigation.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2018 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDOWNERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDOWNERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

### **Information Reporting and Backup Withholding**

Interest paid on tax-exempt bonds such as the Series 2018 Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2018 Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2018 Bonds, under certain circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the Series 2018 Bonds and proceeds from the sale of Series 2018 Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2018 Bonds. This withholding generally applies if the owner of Series 2018 Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2018 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

### **Other Tax Matters Relating to the Series 2018 Bonds**

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2018 Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2018 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2018 Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Series 2018 Bonds.

Prospective purchasers of the Series 2018 Bonds should consult their own tax advisors as to the tax consequences of owning the Series 2018 Bonds in their particular state or local jurisdiction and regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

On February 22, 2016, the Internal Revenue Service ("IRS") issued a notice of proposed rulemaking containing proposed regulations (the "Proposed Regulations") that provide guidance as to the definition of a political subdivision for purposes of the rules for tax-exempt bonds. If adopted, the Proposed Regulations would have affected certain State and local governments that issue tax-exempt bonds, including community development districts such as the District. However, on July 24, 2017, in response to Executive Order 13789 issued by President Trump (the "Executive Order"), the Secretary of the Treasury (the "Secretary") identified the Proposed Regulations among a list of eight regulations that (i) impose an undue financial burden on U.S. taxpayers; (ii) add undue complexity to the federal tax laws; or (iii) exceed the statutory authority of the IRS. On October 2, 2017, in his Second Report to the President on Identifying and Reducing Tax Regulatory Burdens, the Secretary reported that Treasury and the IRS believe that the Proposed Regulations should be withdrawn in their entirety, and the Treasury Department and the IRS withdrew the Proposed Regulations on October 20, 2017. The Secretary further provided that Treasury and the IRS will continue to study the legal issues relating to political subdivisions and may propose more targeted guidance in the future.

Because the Proposed Regulations have been withdrawn, it is not possible to determine the extent to which all or a portion of the discussion herein regarding the Villages and the Villages TAM (each as defined below) may continue to be applicable in the absence of further guidance from the IRS. Bond Counsel will render its opinion regarding the exclusion from gross income of interest on the Series 2018 Bonds as described below.

On May 30, 2013, the IRS delivered to Village Center CDD, a Florida special district established under Chapter 190, Florida Statutes, a private ruling, called a technical advice memorandum (the "Villages TAM"), in connection with the examination by the IRS of bonds issued by the Village Center CDD (the "Audited Bonds"). The Villages TAM concluded that, despite having certain eminent domain powers, the Village Center CDD is not a political subdivision permitted to issue tax-exempt bonds based on a number of facts including that its governing board is elected by a small group of landowners, and that it "was organized and operated to perpetuate private control and avoid indefinitely responsibility to a public electorate, either directly or through another elected state or local governmental body."

The Villages TAM, as a private, non-precedential, ruling, binds only the IRS and the Village Center CDD, and only in connection with the Audited Bonds. Moreover, the cited legal basis for the Villages TAM is extremely limited, and, therefore, the value of the Villages TAM as guidance is also limited. Nonetheless, the breadth and force of the language used in the Villages TAM may reflect the disfavor of the IRS toward governmental entities with governing boards elected by landowners, and this position may lead the enforcement branch of the IRS to select bonds of other issuers with landowner-controlled boards for examination.

In July 2016, the IRS closed the examination of the Audited Bonds with no change to their tax-exempt status. Although the audit was closed with no adverse impact on the Audited Bonds, the IRS's motivations and rationale for closing the examination are unknown. The Village Center CDD refunded the Audited Bonds with taxable bonds in 2014.

Like the board of the Village Center CDD, the Board of Supervisors of the District is necessarily elected by the landowners in the District since there is not yet enough qualified electors residing within the District. The Act, which contains the uniform statutory charter for all community development districts and by which the District is governed, delegates to the District certain traditional sovereign powers including, but not limited to, eminent domain, ad valorem taxation and regulatory authority over rates,

fees and charges for district facilities. On the basis of the Act and certain representations by the District forming a part of the District's tax certificate as to its reasonable expectations of transition to a resident-elected Board of Supervisors, it does not appear from the facts and circumstances that the District was organized to avoid indefinitely responsibility to a public electorate. On the basis of the foregoing and other factors, Bond Counsel has concluded that under current law the District is a political subdivision for purposes of Section 103 of the Code, notwithstanding that its Board of Supervisors is temporarily elected by landowners. Bond counsel intends to deliver its unqualified approving opinion in the form attached hereto as "APPENDIX B: PROPOSED FORM OF OPINION OF BOND COUNSEL."

The release of the Villages TAM may cause an increased risk of examination of the Series 2018 Bonds. Owners of the Series 2018 Bonds are advised that if the IRS does audit the Series 2018 Bonds, under its current procedures, at least during the early stages of an audit, the IRS will treat the District as the taxpayer, and the owners of the Series 2018 Bonds may have limited rights to participate in such procedure. The Indenture does not provide for any adjustment to the interest rates borne by the Series 2018 Bonds in the event of a change in the tax-exempt status of the Series 2018 Bonds. The commencement of an audit or an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2018 Bonds could adversely impact both liquidity and pricing of the Series 2018 Bonds in the secondary market.

#### **DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS**

Section 517.051, Florida Statutes, and the regulations promulgated thereunder (the "Disclosure Act") requires that the District make a full and fair disclosure of any bonds or other debt obligations that it has issued or guaranteed and that are or have been in default as to principal or interest at any time after December 31, 1975. The District was established in October 2017 and has issued no bonds prior to the issuance of the Series 2018 Bonds.

#### **NO RATING OR CREDIT ENHANCEMENT**

The Series 2018 Bonds are neither rated nor credit enhanced. No application for a rating or credit enhancement with respect to the Series 2018 Bonds was made.

#### **VALIDATION**

The Series 2018 Bonds issued pursuant to the terms of the Master Indenture, which includes the Series 2018 Bonds, were validated by a Final Judgment in the Circuit Court of the Sixth Judicial Circuit of the State of Florida, in and for Pasco County, Florida, rendered on May 24, 2018. The appeal period from such final judgment has expired with no appeal being filed.

#### **LITIGATION**

##### **The District**

There is no pending or, to the knowledge of the District, any threatened litigation against the District of any nature whatsoever which in any way questions or affects the validity of the Series 2018 Bonds, or any proceedings or transactions relating to their issuance, sale, execution, or delivery, or the

execution of the Indenture. Neither the creation, organization or existence, nor the title of the present members of the Board of Supervisors or the District Manager is being contested.

From time to time, the District is party to other various legal proceedings which individually are not expected to have a material and adverse effect on the operations or financial condition of the District, but may, in the aggregate, have a material impact thereon.

### **The Master Landowner**

In connection with the issuance of the Series 2018 Bonds, the Master Landowner will represent to the District that there is no litigation of any nature now pending or, to the knowledge of the Master Landowner, threatened, which could reasonably be expected to have a material and adverse effect upon the ability of the Master Landowner to complete the portion of the CIP for which it is responsible as described herein, materially and adversely affect the ability of the Master Landowner to pay the Series 2018 Special Assessments imposed against the land within the District owned by the Master Landowner or materially and adversely affect the ability of the Master Landowner to perform its various obligations described in this Limited Offering Memorandum.

### **The Developer**

In connection with the issuance of the Series 2018 Bonds, the Developer will represent to the District that there is no litigation of any nature now pending or, to the knowledge of the Developer, threatened, which could reasonably be expected to have a material and adverse effect upon the ability of the Developer to complete the Development as described herein, materially and adversely affect the ability of the Developer to pay the Series 2018 Special Assessments imposed against the land within the District owned by the Developer or materially and adversely affect the ability of the Developer to perform its various obligations described in this Limited Offering Memorandum.

## **CONTINUING DISCLOSURE**

In order to comply with the continuing disclosure requirements of Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "SEC Rule"), the District, the Master Landowner, the Developer and Rizzetta & Company, Incorporated, as dissemination agent (in such capacity, the "Dissemination Agent") will enter into a Continuing Disclosure Agreement (the "Disclosure Agreement"), the form of which is attached hereto as APPENDIX E. Pursuant to the Disclosure Agreement, the District has covenanted for the benefit of Bondholders to provide to the Dissemination Agent certain financial information and operating data relating to the District and the Series 2018 Bonds in each year (the "District Annual Report"), and to provide notices of the occurrence of certain enumerated material events. Such covenant by the District shall only apply so long as the Series 2018 Bonds remain outstanding under the Indenture.

Pursuant to the Disclosure Agreement, the Developer has covenanted for the benefit of Bondholders to provide to the District and the Dissemination Agent certain financial information and operating data relating to the Developer and the Development on a quarterly basis (each a "Developer Report"). Such covenant by the Developer will apply only until the earlier to occur of (x) the payment and redemption of the Series 2018 Bonds, or (y) the date on which the Developer owns less than twenty percent (20%) of the real property encumbered by the Series 2018 Special Assessments that secure the Series 2018 Bonds; provided, however, that the Developer has covenanted and agreed with the District that such

covenant will run with the land to the extent that any successor in interest which holds the land for development shall assume the continuing disclosure obligations of the Developer.

Pursuant to the Disclosure Agreement, the Master Landowner has covenanted for the benefit of Bondholders to provide to the District and the Dissemination Agent certain financial information and operating data relating to the Master Landowner and the Development on a quarterly basis (each a "Master Landowner Report"). Such covenant by the Master Landowner will apply only until the earlier to occur of (x) the payment and redemption of the Series 2018 Bonds, or (y) the date on which the Master Landowner owns less than twenty percent (20%) of the real property encumbered by the Series 2018 Special Assessments that secure the Series 2018 Bonds; provided, however, that the Master Landowner has covenanted and agreed with the District that such covenant will run with the land to the extent that any successor in interest which holds the land for development shall assume the continuing disclosure obligations of the Master Landowner.

The District Annual Report, the Developer Report and the Master Landowner Report (together, the "Reports") will each be filed by the Dissemination Agent with the Municipal Securities Rulemaking Board's Electronic Municipal Markets Access ("EMMA") repository described in the form of the Disclosure Agreement attached hereto as APPENDIX E. The notices of material events will also be filed by the District with EMMA. The specific nature of the information to be contained in the Reports and the notices of material events are described in APPENDIX E. The Disclosure Agreement will be executed by the District, the Developer, the Master Landowner and the Dissemination Agent at the time of issuance of the Series 2018 Bonds. The foregoing covenants have been made in order to assist the Underwriter in complying with the SEC Rule.

With respect to the Series 2018 Bonds, no parties other than the District, the Developer and the Master Landowner are obligated to provide, nor are expected to provide, any continuing disclosure information with respect to the SEC Rule. The District has no prior continuing disclosure obligations. The Master Landowner previously entered into a continuing disclosure undertaking with respect to bonds issued by the Bexley Community Development District in 2016 for which the Master Landowner is an obligated person pursuant to the SEC Rule. The Master Landowner failed to timely file its quarterly report for the fiscal quarter ending March 31, 2018. Such report was filed approximately 49 days late and no failure to file notice was posted on EMMA with respect to such late filing. The Developer has previously entered into continuing disclosure undertakings with respect to bonds issued by the Hillcrest Community Development District in 2018 (the "Hillcrest Undertaking"), the Lakewood Ranch Stewardship District in 2017 (the "Lakewood Ranch Undertaking"), and the Windsor at Westside Community Development District in 2016 and 2015, all for which the Developer is an obligated person pursuant to the SEC Rule. With respect to the Hillcrest Undertaking, the Developer failed to timely file its quarterly report for the fiscal quarter ending March 31, 2018. Such report was filed approximately 6 days late and no failure to file notice was posted on EMMA with respect to such late filing. Due to a clerical error by the dissemination agent for the Lakewood Ranch Undertaking, the quarterly report for the fiscal quarter ending June 30, 2018, was filed approximately 46 days late and no failure to file notice was posted on EMMA with respect to such late filing.

## UNDERWRITING

The Underwriter will agree, pursuant to a contract to be entered into with the District, subject to certain conditions, to purchase the Series 2018 Bonds from the District at a purchase price of \$9,976,400.00

(which is the par amount of the Series 2018 Bonds, less Underwriter's discount of \$203,600.00). See "ESTIMATED SOURCES AND USES OF THE SERIES 2018 BOND PROCEEDS" herein. The Underwriter's obligations are subject to certain conditions precedent and the Underwriter will be obligated to purchase all of the Series 2018 Bonds if any Series 2018 Bonds are purchased.

The Underwriter intends to offer the Series 2018 Bonds to accredited investors at the offering prices set forth on the cover page of this Limited Offering Memorandum, which may subsequently change without prior notice. The Underwriter may offer and sell the Series 2018 Bonds to certain dealers (including dealers depositing the Series 2018 Bonds into investment trusts) at prices lower than the initial offering prices and such initial offering prices may be changed from time to time by the Underwriter.

### **LEGAL MATTERS**

The Series 2018 Bonds are offered for delivery when, as and if issued by the District and accepted by the Underwriter, subject to prior sale, withdrawal or modification of the offer without notice and the receipt of the opinion of Bryant Miller Olive P.A., Tallahassee, Florida, Bond Counsel, as to the validity of the Series 2018 Bonds and the excludability of interest thereon from gross income for federal income tax purposes. Certain legal matters will be passed upon for the District by its counsel, Hopping Green & Sams, P.A., Tallahassee, Florida, for the Developer by its counsel, Burr & Forman LLP, Tampa, Florida, for the Master Landowner by its counsel, Feldman & Mahoney, P.A., Clearwater, Florida, for the Trustee by its counsel, Holland & Knight LLP, Miami, Florida and for the Underwriter by its counsel, Bryant Miller Olive P.A., Orlando, Florida.

Bond Counsel's opinions included herein are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date hereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinions.

### **AGREEMENT BY THE STATE**

Under the Act, the State of Florida pledges to the holders of any bonds issued thereunder, including the Series 2018 Bonds, that it will not limit or alter the rights of the issuer of such bonds to own, acquire, construct, reconstruct, improve, maintain, operate or furnish the CIP subject to the Act or to levy and collect taxes, assessments, rentals, rates, fees, and other charges provided for in the Act and to fulfill the terms of any agreement made with the holders of such bonds and that it will not in any way impair the rights or remedies of such holders.

### **NO FINANCIAL STATEMENTS**

The District was established pursuant to the Ordinance 17-39 dated October 24, 2017, with an effective date of October 30, 2017. The District's Fiscal Year 2017-2018 audit will be prepared and filed by

the statutory deadline of June 30, 2019. Therefore, no financial statements for the District are available at this time.

### **EXPERTS AND CONSULTANTS**

The references herein to Clearview Land Design, P.L., as the District Engineer have been approved by said firm. The Report of District Engineer prepared by such firm relating to the CIP, has been included as APPENDIX A attached hereto in reliance upon such firm as an expert in engineering. References to and excerpts herein from such Report of District Engineer do not purport to be adequate summaries of such CIP or complete in all respects. Such Report of District Engineer is an integral part of this Limited Offering Memorandum and should be read in its entirety for complete information with respect to the subjects discussed therein.

The references herein to Rizzetta & Company, Incorporated, as Methodology Consultant have been approved by said firm. The Methodology Consultant's Assessment Report prepared by such firm relating to the issuance of the Series 2018 Bonds has been included as APPENDIX B attached hereto in reliance upon such firm as an expert in developing assessment methodologies. References to and excerpts herein from such report do not purport to be adequate summaries of such report or complete in all respects. Such report is an integral part of this Limited Offering Memorandum and should be read in its entirety for complete information with respect to the subjects discussed therein.

### **CONTINGENT AND OTHER FEES**

The District has retained District's Counsel, Bond Counsel, the Methodology Consultant, the Underwriter (who has retained Underwriter's Counsel) and the Trustee (who has retained Trustee's Counsel), with respect to the authorization, sale, execution and delivery of the Series 2018 Bonds. Payment of the fees of such professionals, except for the payment of fees to District Counsel and the Methodology Consultant, are each contingent upon the issuance of the Series 2018 Bonds.

### **MISCELLANEOUS**

Any statements made in this Limited Offering Memorandum involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Limited Offering Memorandum nor any statement that may have been made verbally or in writing is to be construed as a contract with the holders of the Series 2018 Bonds.

The information contained in this Limited Offering Memorandum has been compiled from official and other sources deemed to be reliable, and is believed to be correct as of the date of the Limited Offering Memorandum, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter. The Underwriter listed on the cover page hereof has reviewed the information in this Limited Offering Memorandum in accordance with and as part of its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinion stated herein are subject to change, and neither the delivery of this Limited

Offering Memorandum nor any sale made hereunder shall create, under any circumstances, any implication that there has been no change in the matters described herein since the date hereof.

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder is to create, under any circumstances, any implication that there has been no change in the affairs of the District from the date hereof. However, certain parties to the transaction, including the District, will, on the closing date of the Series 2018 Bonds, deliver certificates to the effect that nothing has come to their attention that would lead them to believe that applicable portions of the Limited Offering Memorandum contain an untrue statement of a material fact or omit to state a material fact that should be included herein for the purpose for which the Limited Offering Memorandum is intended to be used, or that is necessary to make the statements contained herein, in light of the circumstances under which they were made, not misleading and to the effect that from the date of the Limited Offering Memorandum to the date of closing of the Series 2018 Bonds that there has been no material adverse change in the information provided.

[Remainder of page intentionally left blank]

This Limited Offering Memorandum is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, as a whole or in part, for any other purpose. The appendices hereof are integral parts of this Limited Offering Memorandum and must be read in their entirety together with all of the foregoing statements.

DEL WEBB BEXLEY COMMUNITY  
DEVELOPMENT DISTRICT

By: /s/ Aaron Baker  
Its: Chair

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**APPENDIX A**

**Report of District Engineer**

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**Del Webb Bexley  
Community Development District  
Report of District Engineer  
February 2018**

*Prepared for:*

**Del Webb Bexley  
Community Development District  
Pasco County, Florida**

*Prepared by:*

**Jordan A. Schrader, P.E.  
Clearview Land Design, P.L.  
Tampa, Florida**

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### **Exhibits**

- A. Vicinity Map**
- B. Del Webb Boundary Metes & Bounds Description and Map**
- C. Summary of Estimated Project Costs**
- D. Permit and Construction Approval Status**

## **INTRODUCTION**

Del Webb Bexley Community Development District (the "District") is a unit of special-purpose government organized and existing in accordance with Chapter 190, F.S., as amended, created by Ordinance No. 1727, enacted by the Board of County Commissioners of Pasco County, Florida (the "County") on October 24, 2017. The District, containing approximately 429 acres is generally located in south central Pasco County along the north side of future Tower Road and east of Sunlake Blvd.

The District is located in Sections 9, 10, 15, 16, Township 26 South, Range 18 East. Exhibit A is a vicinity map of the District. The District was formed to provide necessary, public infrastructure so that the lands within the District can be developed as a residential community. Access to the Development (as defined below) will be via two separate entrance roadway connections. The main entrance will be located on Sunlake Boulevard approximately 1,700 feet north of the intersection of Sunlake Boulevard and Tower Road. The second entrance will be located off future Road "A" about 1,500 feet north of the intersection of future Tower Road and future Road "A". The lands to the north, west and east are undeveloped at this time and currently zoned MPUD. The lands constituting the District are presently intended for development as a master planned community (the "Development"), known as Del Webb Bexley. Exhibit B is a boundary metes & bounds description and map of the District. The majority of all public infrastructure is wholly contained within the limits of the District. Offsite improvements include the extension of Sunlake Boulevard north to the project's entrance.

## **PURPOSE AND SCOPE**

The District was established for the purpose of financing, and/or acquiring, constructing, maintaining and operating a portion of the infrastructure necessary for community development within the District. The purpose of this report is to provide a description of the infrastructure improvements necessary for the development of the District and an estimate of the costs. The District will finance, acquire and/or construct, operate, and maintain a portion of the infrastructure improvements that are needed to serve the District and allocate the costs of the infrastructure improvements among the lands within the District. A portion of these infrastructure improvements (excluding the offsite transportation and access improvements discussed below) will be completed by Pulte Home Corporation, the primary developer of the District (the "Developer"), and will be acquired by the District with proceeds of bonds issued by the District. The Developer will construct the balance of the infrastructure improvements needed for the Development that is not financed by the District.

The proposed infrastructure improvements, as outlined herein, are necessary for the functional development of the District as required by the County.

This Engineer's Report reflects the District's present intentions based on the Developer's development plan. The implementation and completion of the Capital Improvement Plan (the "CIP") of the District outlined in this report will require further action by the District's Board of Supervisors, including the award of contracts for the construction and/or acquisition of the improvements comprising the CIP. Cost estimates contained in this report have been prepared based on the best available information, including bid documents and pay requests where available. These estimates may not reflect final engineering design. Actual costs will vary based upon final plans, design, planning, approvals from regulatory authorities, inflation, etc. Nevertheless, all costs contained herein, may be reasonably expected to adequately fund the improvements described, and contingency costs as included are reasonable.

## LAND USE

As stated, the lands within the District encompass approximately 429 acres. The District is planned to ultimately include 850 active adult single family units. The table below illustrates the current land use plan in acreage. Such information is subject to change.

<b><u>Proposed Land Use</u></b>	<b><u>Approximate Acres</u></b>	<b><u>Units</u></b>
Residential Units	119	850
Surface Water Management Areas	207	N/A
Right of way	51	N/A
Other	52	N/A
<b>TOTAL</b>	<b>429</b>	<b>850</b>

## GOVERNMENTAL ACTIONS

On April 25, 2017, Pasco County's Board of County Commissioners adopted the Bexley North Master Planned Unit Development ("MPUD") Pasco County Rezoning Petition No. 7242. The district lands are subject to these MPUD conditionals of approval. On April 25, 2017, the County certified the most recent site plan which allows for a maximum of 900 senior adult dwelling units in Parcel 5.

The following permits are required for the Community:

- Pasco County
  - Master Planned Unit Development (MPUD)
  - Master Roadway Plan
  - Master Bicycle/Pedestrian Plan
  - Mixed Use Trip Reduction Measures (MUTRM) Master Plan
  - Mixed Use Trip Reduction Measures (MUTRM) Neighborhood Plan
  - Master Unified Sign Plan (USP)
  - Master Utility Plans
  - Utility Service Agreement
  - Utility Service Commitment

- Preliminary Development Plan (PDP) Approval
- Construction Plan (CP) Approval
- Final Plat Approval
  
- Florida Department of Environmental Protection (implemented by Pasco County Utilities)
  - Permit to Construct Water Distribution Systems
  - Permit to Construct Wastewater Collection Systems
  - Permit to Construct Reclaimed Water Distribution Systems
  
- Southwest Florida Water Management District
  - Environmental Resource Permit
  
- Army Corps of Engineers:
  - Individual Permit
  
- Florida Fish & Wildlife
  - Gopher Tortoise Permit

Compliance with the MPUD Conditions of Approval and permitting requirements is currently being accomplished. It is Clearview Land Design, P.L.'s opinion that there are no technical reasons existing at this time which would prohibit the implementation of the plans for the Development as presented herein and that permits normally obtained by site development engineers, not heretofore issued and which are necessary to effect the improvements described herein, will be obtained during the ordinary course of development. The permit status for the District is summarized in Exhibit D included with this Report.

## **CAPITAL IMPROVEMENT PLAN**

The District's CIP includes infrastructure improvements that will provide special benefit to all assessable land within the District. Said improvements include earthwork, offsite roadway improvements, stormwater management facilities including those associated with such roadway improvements, on-site water and wastewater facilities, landscaping and sidewalk improvements all within public rights-of-way or on District owned lands and associated professional fees. The estimated total cost of the CIP is \$29,162,850. Refer to Exhibit C for a summary of the costs by infrastructure category for the CIP.

The current plan of development of the CIP is to be constructed in 4 phases (see table below), and ultimately it is expected that once completed it will support the construction of 850 residential dwelling units.

<b>Construction Phasing</b>	<b>Total No. of Units</b>	<b>Estimated Completion Date</b>
Del Webb Bexley 1	219	October 2018
Del Webb Bexley 2	206	April 2020
Del Webb Bexley 3	209	October 2021
Del Webb Bexley 4	216	April 2023
<b>Total Number of Units</b>	<b>850</b>	

## **ROADWAYS**

Primary vehicular access to the District is to be provided from Sunlake Boulevard north of Tower Road with a secondary entrance off future Road “A”. Del Webb Boulevard, the main entrance to the District from Sunlake Boulevard, will be a divided 4-lane collector with street lighting, sidewalks and landscaping. The other access entrance to the District off future Road “A” will be a divided 4-lane road that will transition to a divided 2-lane residential street. Internal roads will be undivided 2-lane residential streets with sidewalks and street lighting. The offsite roadway improvements on Sunlake Boulevard will comply with the roadway design criteria of Pasco County. The internal roadway design will comply with Pasco County transportation design criteria. The District will fund and construct the offsite improvements and the access improvements within the District or in the alternative acquire such completed improvements from NNP-Bexley, LLC, a landowner within the District. The District will convey the improvements on Sunlake Boulevard to Pasco County for ownership, operation and maintenance. The Del Webb Bexley Homeowners Association will own, operate and maintain the internal roads within the District which will not be District funded.

## **STORMWATER MANAGEMENT**

The County and the Southwest Florida Water Management District (SWFWMD) regulate the design criterion for the stormwater management system within the District. The District is located within the Sandy Branch/Anclote River Watershed. The pre-development site runoff and water management conditions have been developed by the County and SWFWMD. The existing, onsite, naturally occurring wetlands have been delineated by SWFWMD.

The stormwater management plan for the District focuses on utilizing newly constructed ponds in the uplands for stormwater treatment in conjunction with the naturally occurring wetlands.

The primary objectives of the stormwater management system for the District are:

1. To provide a stormwater conveyance and storage system, which includes stormwater quality treatment.
2. To adequately protect development within the District from regulatory-defined rainfall events.

3. To maintain wetland hydroperiods.
4. To ensure that adverse stormwater impacts do not occur upstream or downstream as a result of the development within the District.
5. To satisfactorily accommodate stormwater runoff from adjacent off-site areas that naturally drains through the District. Accommodating existing drainage conditions is a requirement of more than one regulatory agency and is an integral part of the infrastructure improvements constructed with development projects.

The stormwater collection and outfall systems will be a combination of site grading, earthwork, stabilization, curb inlets, pipe culverts, control structures and open waterways. Wetland hydroperiods (normal pool and season high water elevations) will be maintained through proper design and maintenance of the outfall control structures. The District will fund and construct the stormwater management system or in the alternative acquire the completed system from the Developer. The stormwater management system includes curb inlets and pipe culverts in the HOA right-of-ways which will be owned, operated and maintained by the District as they are necessary components of the stormwater management system. The District will not finance the cost of the earthwork and site grading with regards to any of the developable lots except to the extent it is necessary to facilitate the stormwater management system.

## **WASTEWATER COLLECTION**

The District is within Pasco County Utilities Service Area which will provide wastewater treatment service. The District will fund the construction of the wastewater system or in the alternative, acquire the completed system from the Developer. The District will convey the completed internal wastewater system to the County for ownership, operation and maintenance.

The District onsite wastewater system will consist of gravity collection lines with appurtenant manholes, and pump stations discharging to a force main that will connect to the existing County force main in the Sunlake Boulevard right-of-way.

## **WATER DISTRIBUTION SYSTEM**

The District is within Pasco County Utilities Service Area which will provide potable water service. The District will fund the construction of the potable water system or in the alternative, acquire the completed system from the Developer. The District will convey the completed potable water system to the County for ownership, operation and maintenance.

The District's onsite potable water system will consist of distribution lines of varying sizes with appurtenant valves and backflow prevention equipment connecting to the existing water transmission lines in Sunlake Boulevard.

## **LANDSCAPE & HARDSCAPE**

Significant landscape features and associated irrigation systems within the public rights of way and District owned lands are included in the CIP. These features may include entry monumentation at the entrances of the District, installation of irrigation wells, irrigation systems, and the perimeter buffer areas. The District will fund, acquire and/or construct, operate and maintain entry monumentation, irrigation systems and landscaping. The District will fund, acquire and/or construct, and maintain perimeter berms. In the alternative, the Developer will construct these improvements and convey the same to the District.

## **RECREATIONAL FACILITIES**

The Developer and/or homeowners association will construct, operate and maintain the amenity centers and passive park areas within the District.

## **RECLAIM WATER/IRRIGATION WATER**

The District is within Pasco County Utilities Service Area which will provide reclaim water service. The District will fund the construction of the reclaim water system or in the alternative, acquire the completed system from the Developer. The District will convey the completed reclaim water system to the County for ownership, operation and maintenance.

The District's onsite reclaim water system will consist of distribution lines of varying sizes with appurtenant valves and backflow prevention equipment. The landscaped collector roadways, some parks, recreational, and common areas will be irrigated using irrigation systems connected to reclaimed water mains located within the District. The District will own, operate and maintain the irrigation system.

## **UNDERGROUND ELECTRICAL DISTRIBUTION SYSTEM AND STREET LIGHTING**

The District will fund, construct and/or acquire the underground electrical conduit system that will provide service to the lands within the District. Duke Energy will own, operate, and maintain the underground electrical system. The District will fund, construct and/or acquire the street lighting for the District. Duke Energy will own, operate and maintain the remaining portions of the street light system. Only those portions of the street light system and the underground electrical conduit system owned and maintained by the District, such as costs of installing underground conduit and related infrastructure are included in this category. The District and/or Developer may elect to petition the County to establish a future street lighting district.

## PROFESSIONAL SERVICES

Professional fees include civil engineering costs for master planning, site design, permitting, preparation of construction plans, inspection and survey costs for construction staking, preparation of record drawings and preparation of preliminary and final plats.

Professional fees also may include geotechnical costs for pre-design soil borings, underdrain analysis, soil stabilization, and construction testing, architectural costs for landscaping, fees associated with transportation planning and design, environmental consultation, irrigation system design and fees for permitting, as well as costs for legal and engineering services associated with the administration of the District's CIP.

## CONTINGENCY

This category includes the cost for adjustments as a result of unexpected field conditions, additional requirements of governmental agencies, market conditions, and other unknown factors that may occur throughout the course of development and construction of the infrastructure. In general, the contingency amount is based on a percentage of the total infrastructure cost estimate.

## OWNERSHIP AND MAINTENANCE

**The ownership and maintenance responsibilities of the proposed infrastructure improvements for the development are set forth below.**

<b><u>Proposed Infrastructure Improvement</u></b>	<b><u>Ownership</u></b>	<b><u>Maintenance</u></b>
Residential Roadways	HOA	HOA
Wastewater Collection and Transmission	Pasco County	Pasco County
Water Distribution Systems	Pasco County	Pasco County
Reclaimed Water Distribution Systems	Pasco County	Pasco County
Irrigation System	CDD	CDD
Underground Electrical Systems	Duke	CDD/Duke
Street Lighting Systems	Duke/CDD/Potential Street Lighting District	Duke/CDD/Potential Street Lighting District
Stormwater Management Systems	CDD	CDD
Landscape/Hardscape Improvements	CDD	CDD
Active Recreational Amenities and Facilities	HOA	HOA
Passive Recreational Amenities and Facilities	CDD	CDD
Offsite Transportation Improvements	Pasco County	Pasco County*

\*Entity other than Pasco County (CDD or HOA) will maintain sidewalks, landscaping, and irrigation in the Sunlake Boulevard along the project's frontage.

## **PROJECT COSTS**

The CIP's identifiable total costs associated with the infrastructure improvements are estimated to be \$29,162,850. The infrastructure improvements include: roadways, sewer, water, storm water management systems, landscaping, irrigation and hardscape elements. It is understood that the funds available to the District to construct or acquire the improvements comprising the CIP, will be limited. Any such improvements not financed by the District will be constructed and conveyed to the District by the Developer for no consideration. Exhibit C outlines the anticipated costs associated with the construction of the CIP for the District.

## **SUMMARY AND CONCLUSION**

The infrastructure, as outlined above, is necessary for the functional progression of the Development within the District as required by the County. The planning and design of the infrastructure will be in accordance with current governmental regulatory requirements. The infrastructure will provide its intended function so long as the construction is in substantial compliance with the design and permits. The platting, design and permitting for the public infrastructure are ongoing at this time and there is no reason to believe such permits will not be obtained.

Items of construction in this report are based on preliminary plan quantities for the infrastructure construction as shown on the master plans, conceptual plans, construction drawings and specifications. It is my professional opinion that the estimated infrastructure costs provided herein for the District improvements comprising the CIP are reasonable to complete the construction of the infrastructure described herein and that these infrastructure improvements will provide a special benefit to the assembled land in the District, which special benefit will at least equal the costs of such improvements. All such infrastructure costs are public improvements or community facilities as set forth in Section 190.012(1) and (2) of the Florida Statutes.

The infrastructure total construction cost developed in this report is only an estimate and not a guaranteed maximum price. The estimated cost is based on unit prices currently being experienced for ongoing and similar items of work in the Tampa Bay area and quantities as represented on the master plans. The labor market, future costs of equipment and materials, and the actual construction processes frequently vary and cannot be accurately forecasted. Due to this inherent opportunity for fluctuation in cost, the total final cost may be more or less than this estimate.

The professional services for establishing the opinion of estimated construction cost are consistent with the degree and care and skill exercised by members of the same profession under similar circumstances.

---

*Jordan A. Schrader, P.E*

*District Engineer FL Registration No.: 74798*

# EXHIBITS

**Exhibit A**    **Vicinity Map of District**

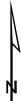
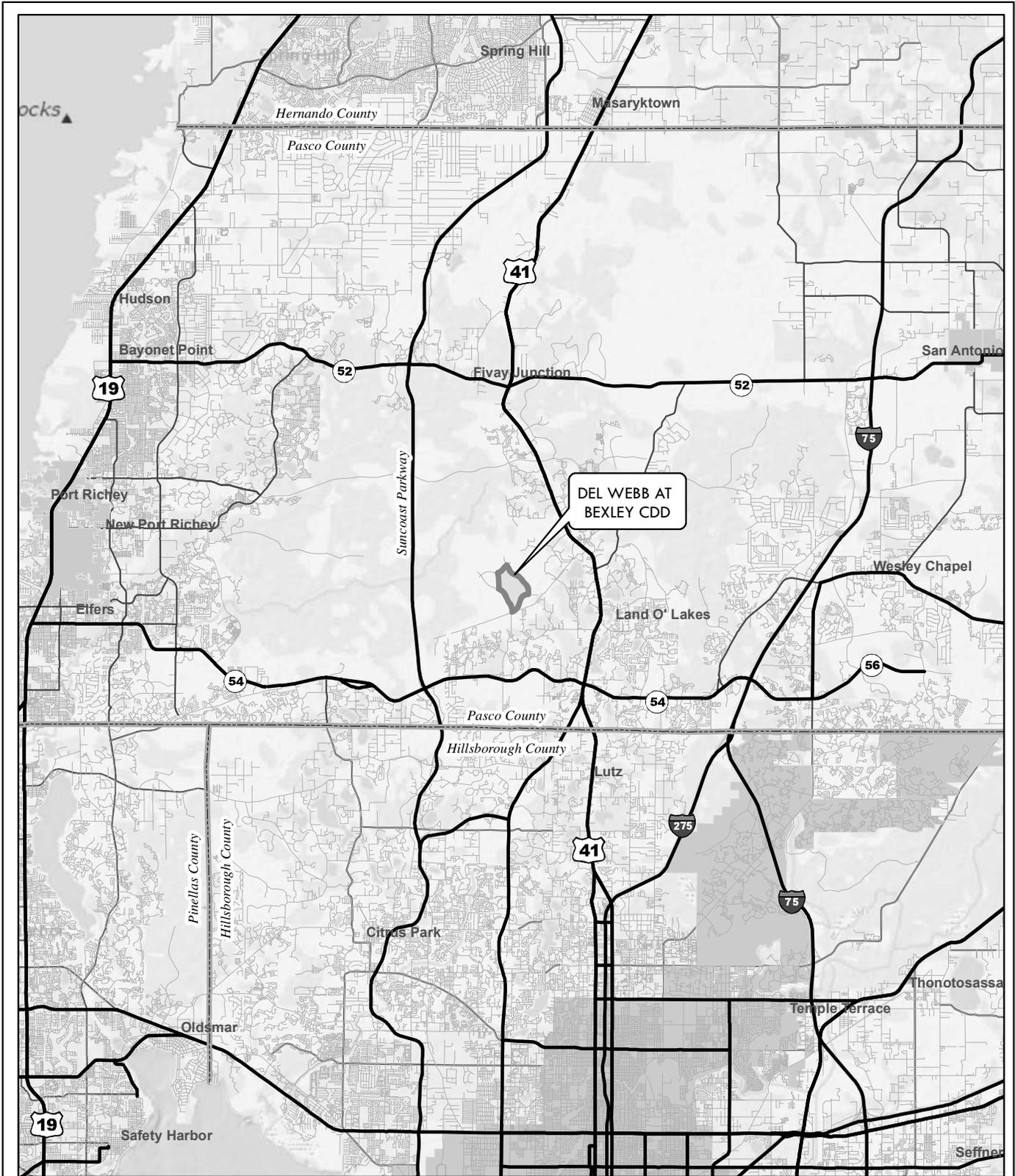
**Exhibit B**    **Boundary Metes & Bounds Description of District**

**Exhibit C**    **Summary of Estimated Project Costs**

**Exhibit D**    **Permit and Construction Approval Status**

# **EXHIBIT A**

## **VICINITY MAP**



0 2.5 5 Miles

**DEL WEBB AT BEXLEY CDD**

Vicinity

**Clearview**  
 LAND DESIGN, P.L.  
 1213 E. 6TH AVENUE TAMPA, FLORIDA 33605  
 (813) 223-3919

# **EXHIBIT B**

## **DEL WEBB BEXLEY COMMUNITY DEVELOPMENT DISTRICT**

### **BOUNDARY METES AND BOUNDS DESCRIPTION SKETCH**

**DEL WEBB BEXLEY  
COMMUNITY DEVELOPMENT DISTRICT**

DESCRIPTION: A parcel of land lying in Sections 9, 10, 15 and 16, Township 26 South, Range 18 East, Pasco County, Florida, and being more particularly described as follows:

**COMMENCE** at the Southwest corner of said Section 15, run thence along the West boundary of said Section 15, N.00°17'40"E., 2702.53 feet; thence S.89°42'20"E., 183.00 feet to the **POINT OF BEGINNING**; thence N.00°17'40"E., 124.23 feet to a point of curvature; thence Northerly, 1306.64 feet along the arc of a curve to the left having a radius of 2183.00 feet and a central angle of 34°17'40" (chord bearing N.16°51'10"W., 1287.22 feet) to a point of tangency; thence N.34°00'00"W., 316.72 feet to a point of curvature; thence Northwesterly, 492.85 feet along the arc of a curve to the right having a radius of 2017.00 feet and a central angle of 14°00'00" (chord bearing N.27°00'00"W., 491.62 feet) to a point of tangency; thence N.20°00'00"W., 316.72 feet to a point of curvature; thence Northwesterly, 1800.25 feet along the arc of a curve to the left having a radius of 2183.00 feet and a central angle of 47°15'00" (chord bearing N.43°37'30"W., 1749.67 feet); thence N.22°45'00"E., 42.00 feet; thence N.02°00'00"W., 1730.04 feet; thence N.10°45'00"W., 752.72 feet to a point on a curve; thence Northeasterly, 1106.69 feet along the arc of a curve to the left having a radius of 1371.00 feet and a central angle of 46°15'00" (chord bearing N.56°07'30"E., 1076.89 feet) to a point of tangency; thence N.33°00'00"E., 298.39 feet to a point of curvature; thence Northeasterly, 448.93 feet along the arc of a curve to the right having a radius of 1429.00 feet and a central angle of 18°00'00" (chord bearing N.42°00'00"E., 447.09 feet) to a point of tangency; thence N.51°00'00"E., 109.14 feet to a point of curvature; thence Easterly, 39.27 feet along the arc of a curve to the right having a radius of 25.00 feet and a central angle of 90°00'00" (chord bearing S.84°00'00"E., 35.36 feet) to a point of tangency; thence S.39°00'00"E., 28.69 feet to a point of curvature; thence Southeasterly, 546.26 feet along the arc of a curve to the right having a radius of 1429.00 feet and a central angle of 21°54'08" (chord bearing S.28°02'56"E., 542.94 feet) to a point of reverse curvature; thence Southeasterly, 1505.37 feet along the arc of a curve to the left having a radius of 1571.00 feet and a central angle of 54°54'08" (chord bearing S.44°32'56"E., 1448.43 feet) to a point of tangency; thence S.72°00'00"E., 275.00 feet to a point of curvature; thence Southeasterly, 1122.22 feet along the arc of a curve to the right having a radius of 1429.00 feet and a central angle of 44°59'43" (chord bearing S.49°30'08"E., 1093.60 feet) to a point of reverse curvature; thence Southeasterly, 740.19 feet along the arc of a curve to the left having a radius of 1571.00 feet and a central angle of 26°59'43" (chord bearing S.40°30'08"E., 733.36 feet) to a point of reverse curvature; thence Southeasterly, 1361.32 feet along the arc of a curve to the right having a radius of 1429.00 feet and a central angle of 54°34'55" (chord bearing S.26°42'32"E., 1310.42 feet) to a point of tangency; thence S.00°34'55"W., 554.00 feet to a point of curvature; thence Southwesterly, 39.27 feet along the arc of a curve to the right having a radius of 25.00 feet and a central angle of 90°00'00" (chord bearing S.45°34'55"W., 35.36 feet) to a point of tangency; thence N.89°25'05"W., 174.00 feet to a point of curvature; thence Southwesterly, 1319.35 feet along the arc of a curve to the left having a radius of 1071.00 feet and a central angle of 70°34'55" (chord bearing S.55°17'28"W., 1237.50 feet) to a point of tangency; thence S.20°00'00"W., 1257.25 feet to a point of curvature; thence Southwesterly, 1257.28 feet along the arc of a curve to the right having a radius of 1429.00 feet and a central angle of 50°24'39" (chord bearing S.45°12'19"W., 1217.12 feet) to a point of tangency; thence S.70°24'39"W., 93.58 feet to a point of curvature; thence Northwesterly, 67.12 feet along the arc of a curve to the right having a radius of 35.00 feet and a central angle of 109°53'01" (chord bearing N.54°38'51"W., 57.30 feet) to the **POINT OF BEGINNING**.

Containing 428.934 acres, more or less.

**DEL WEBB BEXLEY  
COMMUNITY DEVELOPMENT DISTRICT**

Prepared For: <b>NNP-BEXLEY, LLC</b>			
		<b>DESCRIPTION SKETCH</b> (Not a Survey)	<b>AMERRITT, INC.</b> LAND SURVEYING AND MAPPING <i>LICENSED BUSINESS NUMBER LB7778</i> 1215 E. 6th Avenue Tampa, FL 33605 PHONE (813) 221-5200
1	06/15/17	Title of CDD	VBR Arthur W. Merritt
No.	Date	Description	Dwn. FLORIDA PROFESSIONAL SURVEYOR & MAPPER NO. 4498
REVISIONS			
<b>SHEET NO. 1 OF 5 SHEETS</b>			
NOT VALID WITHOUT THE SIGNATURE AND THE ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER			Drawn: WFS    Checked: AWM    Order No.: AMI-NP4-BR-041 Date: 5-18-2017    Dwg: DELWEBB-BEXLEY CDD-DS.dwg File Path: P:\Bexley Ranch\Del Webb at Bexley (pulite)\Description\CDD SECTIONS 9, 10, 15 & 16 TOWNSHIP 26 SOUTH, RANGE 18 EAST

**BASIS OF BEARINGS**

The West boundary of Section 15, Township 26 South, Range 18 East, Pasco County, Florida, has a Grid bearing of N.00°17'40"W. The Grid Bearings as shown hereon refer to the State Plane Coordinate System, North American Horizontal Datum of 1983 (NAD 83 - 2007 ADJUSTMENT) for the West Zone of Florida.

**LEGEND:**

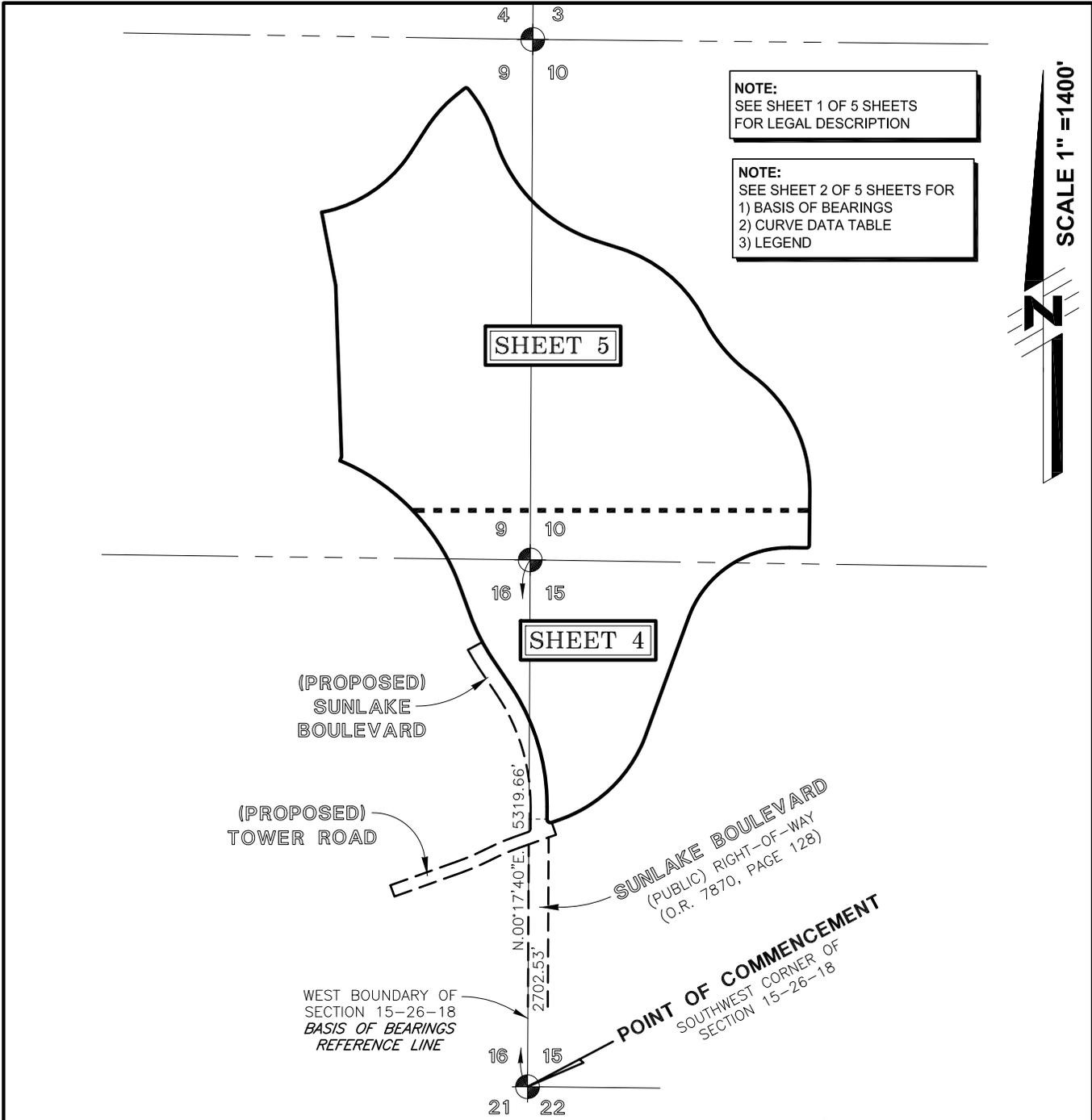
1. (R) indicates radial line
2. (NR) indicates non-radial line
3. RB - Reference Bearing
4. O.R. - Official Records Book

**CURVE DATA TABLE**

NO.	RADIUS	DELTA	ARC	CHORD	BEARING
1	2183.00	34°17'40"	1306.64	1287.22	N.16°51'10"W.
2	2017.00	14°00'00"	492.85	491.62	N.27°00'00"W.
3	2183.00	47°15'00"	1800.25	1749.67	N.43°37'30"W.
4	1371.00	46°15'00"	1106.69	1076.89	N.56°07'30"E.
5	1429.00	18°00'00"	448.93	447.09	N.42°00'00"E.
6	25.00	90°00'00"	39.27	35.36	S.84°00'00"E.
7	1429.00	21°54'08"	546.26	542.94	S.28°02'56"E.
8	1571.00	54°54'08"	1505.37	1448.43	S.44°32'56"E.
9	1429.00	44°59'43"	1122.22	1093.60	S.49°30'08"E.
10	1571.00	26°59'43"	740.19	733.36	S.40°30'08"E.
11	1429.00	54°34'55"	1361.32	1310.42	S.26°42'32"E.
12	25.00	90°00'00"	39.27	35.36	S.45°34'55"W.
13	1071.00	70°34'55"	1319.35	1237.50	S.55°17'28"W.
14	1429.00	50°24'39"	1257.28	1217.12	S.45°12'19"W.
15	35.00	109°53'01"	67.12	57.30	N.54°38'51"W.

**DEL WEBB BEXLEY  
COMMUNITY DEVELOPMENT DISTRICT**

Prepared For: <b>NNP-BEXLEY, LLC</b>			
<b>DESCRIPTION SKETCH</b> (Not a Survey)		<b>AMERRITT, INC.</b> LAND SURVEYING AND MAPPING LICENSED BUSINESS NUMBER LB7778 1215 E. 6th Avenue Tampa, FL 33605 PHONE (813) 221-5200	
1	06/15/17	Title of CDD	VBR
No.	Date	Description	Dwn.
REVISIONS			
<b>SHEET NO. 2 OF 5 SHEETS</b>			
Arthur W. Merritt FLORIDA PROFESSIONAL SURVEYOR & MAPPER NO. <b>4498</b>		NOT VALID WITHOUT THE SIGNATURE AND THE ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER	
Date: 5-18-2017    Dwg: DELWEBB-BEXLEY CDD-DS.dwg		File Path: P:\Bexley Ranch\Del Webb at Bexley (pulite)\Description\CDD	
SECTIONS 9, 10, 15 & 16 TOWNSHIP 26 SOUTH, RANGE 18 EAST			



**NOTE:**  
SEE SHEET 1 OF 5 SHEETS  
FOR LEGAL DESCRIPTION

**NOTE:**  
SEE SHEET 2 OF 5 SHEETS FOR  
1) BASIS OF BEARINGS  
2) CURVE DATA TABLE  
3) LEGEND

**N**  
SCALE 1" = 1400'

**SHEET 5**

**SHEET 4**

(PROPOSED)  
SUNLAKE  
BOULEVARD

(PROPOSED)  
TOWER ROAD

SUNLAKE BOULEVARD  
(PUBLIC) RIGHT-OF-WAY  
(O.R. 7870, PAGE 128)

WEST BOUNDARY OF  
SECTION 15-26-18  
BASIS OF BEARINGS  
REFERENCE LINE

POINT OF COMMENCEMENT  
SOUTHWEST CORNER OF  
SECTION 15-26-18

**DEL WEBB BEXLEY  
COMMUNITY DEVELOPMENT DISTRICT**

Prepared For: **NNP-BEXLEY, LLC**

**DESCRIPTION  
SKETCH**  
(Not a Survey)

**AMERRITT, INC.**  
**LAND SURVEYING AND MAPPING**  
LICENSED BUSINESS NUMBER LB7778  
1215 E. 6th Avenue  
Tampa, FL 33605  
PHONE (813) 221-5200

No.	Date	Description	Dwn.
1	06/15/17	Title of CDD	VBR

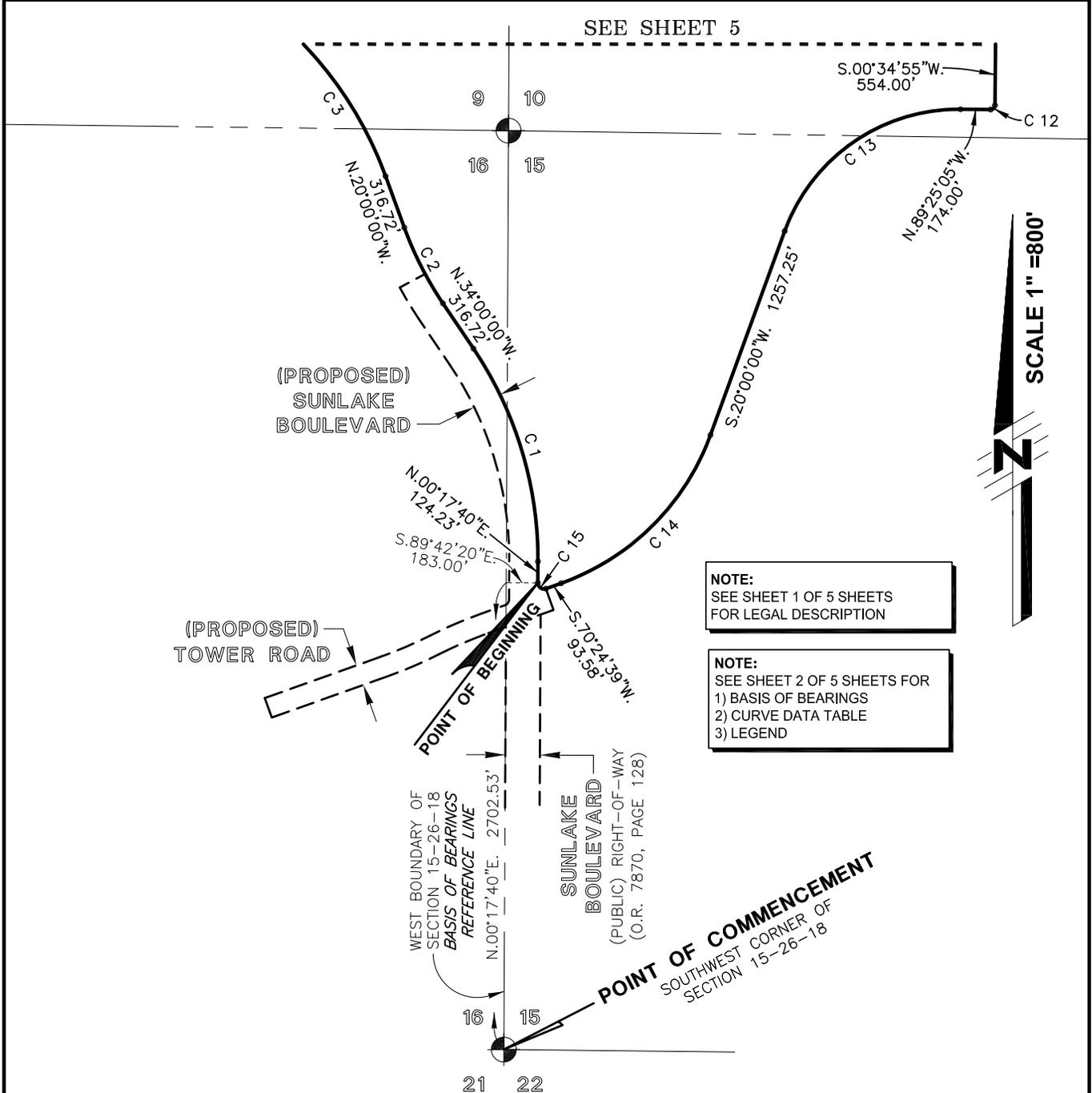
Arthur W. Merritt  
FLORIDA PROFESSIONAL SURVEYOR & MAPPER NO. **4498**

Drawn: WFS	Checked: AWM	Order No.: AMI-NP4-BR-041
Date: 5-18-2017	Dwg: DELWEBB-BEXLEY CDD-DS.dwg	

**REVISIONS**  
**SHEET NO. 3 OF 5 SHEETS**

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RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER

File Path: P:\Bexley Ranch\Del Webb at Bexley (pul)\Description\CDD  
SECTIONS 9, 10, 15 & 16 TOWNSHIP 26 SOUTH, RANGE 18 EAST



SEE SHEET 5



**NOTE:**  
SEE SHEET 1 OF 5 SHEETS  
FOR LEGAL DESCRIPTION

**NOTE:**  
SEE SHEET 2 OF 5 SHEETS FOR  
1) BASIS OF BEARINGS  
2) CURVE DATA TABLE  
3) LEGEND

**DEL WEBB BEXLEY  
COMMUNITY DEVELOPMENT DISTRICT**

Prepared For: **NNP-BEXLEY, LLC**

**DESCRIPTION  
SKETCH**  
(Not a Survey)

**AMERRITT, INC.**  
**LAND SURVEYING AND MAPPING**  
LICENSED BUSINESS NUMBER LB7778  
1215 E. 6th Avenue  
Tampa, FL 33605  
PHONE (813) 221-5200

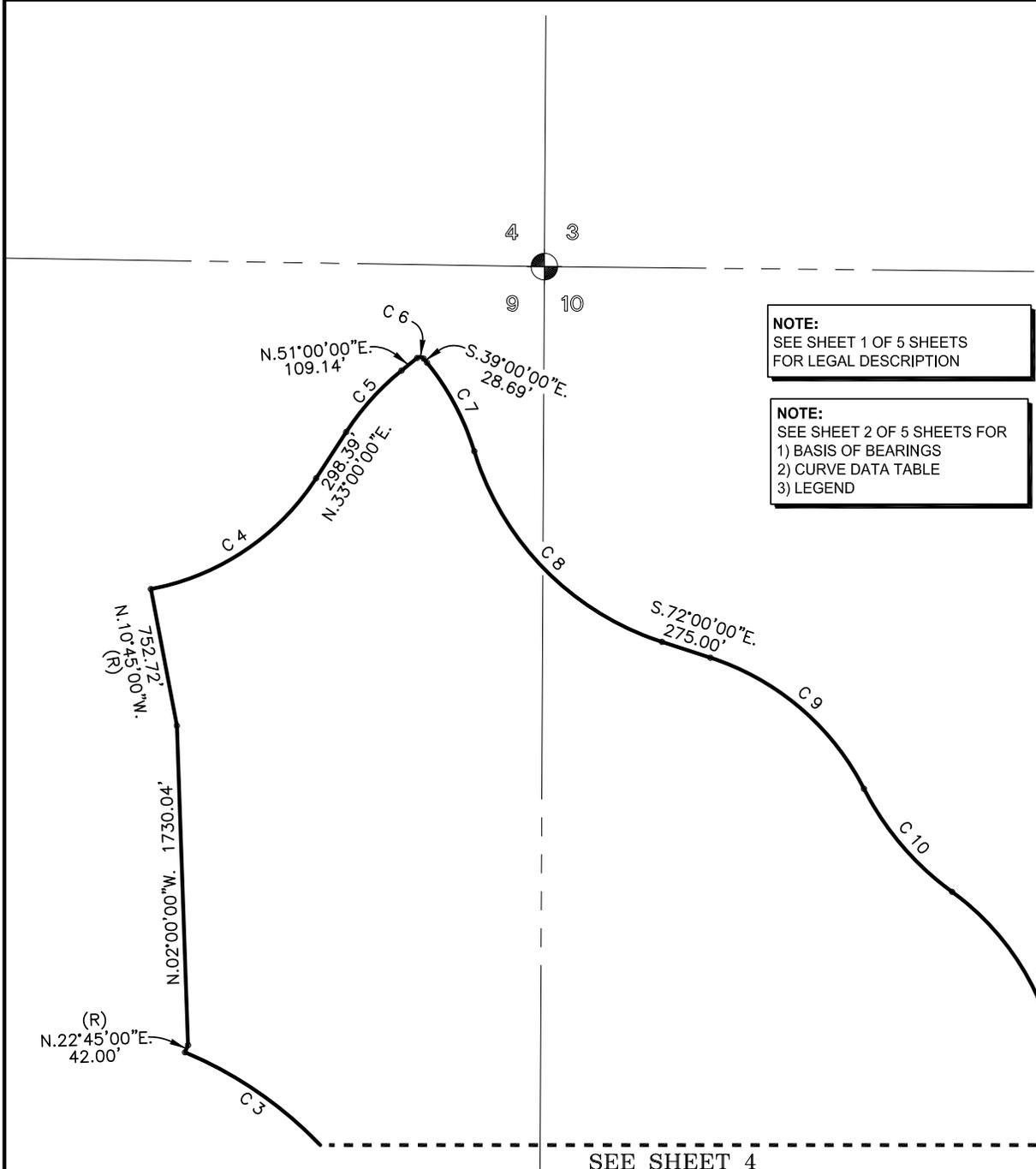
Arthur W. Merritt  
FLORIDA PROFESSIONAL SURVEYOR & MAPPER NO. **4498**

Drawn: WFS | Checked: AWM | Order No.: AMI-NP4-BR-041  
Date: 5-18-2017 | Dwg: DELWEBB-BEXLEY CDD-DS.dwg

NOT VALID WITHOUT THE SIGNATURE AND THE ORIGINAL  
RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER

File Path: P:\Bexley Ranch\Del Webb at Bexley (pulte)\Description\CDD  
SECTIONS 9, 10, 15 & 16 TOWNSHIP 26 SOUTH, RANGE 18 EAST

No.	Date	Description	Dwn.
1	06/15/17	Title of CDD	VBR
REVISIONS			
<b>SHEET NO. 4 OF 5 SHEETS</b>			



**NOTE:**  
SEE SHEET 1 OF 5 SHEETS  
FOR LEGAL DESCRIPTION

**NOTE:**  
SEE SHEET 2 OF 5 SHEETS FOR  
1) BASIS OF BEARINGS  
2) CURVE DATA TABLE  
3) LEGEND

SEE SHEET 4

**DEL WEBB BEXLEY  
COMMUNITY DEVELOPMENT DISTRICT**

Prepared For: **NNP-BEXLEY, LLC**

**DESCRIPTION  
SKETCH**  
(Not a Survey)

**AMERRITT, INC.**  
**LAND SURVEYING AND MAPPING**  
*LICENSED BUSINESS NUMBER LB7778*  
1215 E. 6th Avenue  
Tampa, FL 33605  
PHONE (813) 221-5200

\_\_\_\_\_  
**Arthur W. Merritt**  
FLORIDA PROFESSIONAL SURVEYOR & MAPPER NO. **4498**

Drawn: WFS	Checked: AWM	Order No.: AMI-NP4-BR-041
Date: 5-18-2017	Dwg: DELWEBB-BEXLEY CDD-DS.dwg	

No.	Date	Title of CDD	VBR
1	06/15/17		
REVISIONS			
		Description	Dwn.

**SHEET NO. 5 OF 5 SHEETS**

NOT VALID WITHOUT THE SIGNATURE AND THE ORIGINAL  
RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER

File Path: P:\Bexley Ranch\Del Webb at Bexley (pulte)\Description\CDD  
SECTIONS 9, 10, 15 & 16 TOWNSHIP 26 SOUTH, RANGE 18 EAST

# **EXHIBIT C**

## **SUMMARY OF ESTIMATED PROJECT COST**

<b>ESTIMATED CAPITAL IMPROVEMENT PLAN (CIP) COSTS</b>				
<b>DISTRICT ELIGIBLE IMPROVEMENTS</b>				
	<b>SUNLAKE BLVD. / TOWER ROAD</b>	<b>DEL WEBB BEXLEY</b>		<b>TOTAL</b>
	<b>(2017-2018)</b>	<b>(2017-2023)</b>		
<b>STORMWATER, DRAINAGE &amp; EARTHWORK (EXCLUDING LOTS)</b>	\$2,160,000.00	\$7,700,000.00		\$9,860,000.00
<b>ROADWAYS &amp; PAVING</b>	\$1,800,000.00	-		\$1,800,000.00
<b>WATER, WASTEWATER &amp; RECLAIMED WATER</b>	\$540,000.00	\$6,500,000.00		\$7,040,000.00
<b>LANDSCAPE &amp; HARDSCAPE</b>	-	\$2,500,000.00		\$2,500,000.00
<b>POWER &amp; STREET LIGHTS</b>	\$500,000.00	\$1,500,000.00		\$2,000,000.00
<b>WETLAND MITIGATION</b>	\$500,000.00	-		\$500,000.00
<b>SUBTOTAL</b>	\$5,500,000.00	\$18,200,000.00		\$23,700,000.00
<b>PROFESSIONAL SERVICES (7%):</b>	\$385,000.00	\$1,274,000.00		\$1,659,000.00
<b>CONTINGENCY (15%):</b>	\$882,750.00	\$2,921,100.00		\$3,803,850.00
<b>TOTAL:</b>	<b>\$6,767,750.00</b>	<b>\$22,395,100.00</b>		<b>\$29,162,850.00</b>

## **EXHIBIT D**

### **PERMIT AND CONSTRUCTION APPROVAL STATUS**

**EXHIBIT “D”**

**Del Webb Bexley Community Development District**

<b>Approval Date</b>	<b>Agency</b>	<b>Permit No.</b>	<b>Permit Name</b>
4/25/17	Pasco County BOCC	RZ-7242	Bexley North MPUD
12/7/17	Southwest Florida Water Management District	App No. 746112	Sunlake Boulevard Extension North of Tower Road Pasco
10/30/17	Pasco County	PSP-17-077	Sunlake Boulevard 1 <sup>st</sup> Extension
12/1/17	Pasco County	RSD17-030	Bexley North Preliminary Development Plan
9/26/17	Pasco County	PDD17-2138	Bexley North Parcel 5-Mass Grading
12/28/17	Southwest Florida Water Management District	App No. 748212	ERP Individual Construction Permit-Mass Grading
1/17/18	Pasco County	RSD17-040	Bexley North Parcel 5- Phase 1

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## **APPENDIX B**

### **Assessment Report**

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Rizzetta & Company

# Del Webb Bexley Community Development District

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## Amended and Restated Master Special Assessment Allocation Report

12750 Citrus Park Lane  
Suite 115  
Tampa, FL 33625  
[www.rizzetta.com](http://www.rizzetta.com)

originally dated: February 28, 2018  
amended: September 12, 2018

Professionals in Community Management

DEL WEBB BEXLEY COMMUNITY DEVELOPMENT DISTRICT  
 AMENDED AND RESTATED MASTER SPECIAL ASSESSMENT ALLOCATION REPORT

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	LEGAL DESCRIPTION #2 (PULTE HOME COMPANY, LLC).....	



## I. INTRODUCTION

This Amended and Restated Master Special Assessment Allocation Report is being presented in anticipation of financing a capital infrastructure project by the Del Webb Bexley Community Development District (“District”), a local unit of special purpose government established pursuant to Chapter 190, Florida Statutes. The Master Special Assessment Report adopted on April 25, 2018 is being revised to include the Single-Family 65’ product type, which will be replacing the Single-Family 60’ product type in the District’s development plan. Rizzetta & Company, Inc. has been retained to prepare a methodology for allocating the special assessments related to the District’s infrastructure project.

The District plans to issue bonds in one series to fund a portion of the capital infrastructure project, also known as the Capital Improvement Program. This report will detail the maximum parameters for the future financing program the District will undertake, as well as determine the manner in which the special assessments will be allocated among all the landowners that will benefit from the portion of the capital infrastructure project.

## II. DEFINED TERMS

**“Capital Improvement Program”** – (or “CIP”) Construction and/or acquisition of public infrastructure planned for the District. The total cost for the Capital Improvement Program is estimated to be \$29,162,850 as specified in the Engineer’s Report dated January 2018.

**“Developer”** – NNP-Bexley, LLC and Pulte Home Company, LLC.

**“District”** – Del Webb Bexley Community Development District.

**“Equivalent Assessment Unit” or “EAU”** – Allocation factor which reflects a quantitative measure of the amount of special benefit conferred by the District’s CIP on a particular land use, relative to other land uses.

**“Maximum Assessments”** – The maximum amount of special assessments to be levied against a parcel in relation to the CIP.

**“Platted Units”** – Lands configured into their intended end-use and subject to a recorded plat.

**“Unplatted Parcels”** – Undeveloped lands or parcels not yet subject to a recorded plat in their final end-use configuration.



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### III. DISTRICT INFORMATION

Del Webb Bexley Community Development District was established on October 24, 2017 pursuant to Pasco County Ordinance No. 17-27.

The District is located on a parcel of land approximately 428.934 acres in size, located generally north of Tower Road, east of the Suncoast Parkway (State Road 589), south of State Road 52 and west of US 41 in Pasco County. The current development plan for the District includes approximately 850 single family detached residential units. **Table 1** illustrates the District's preliminary development plan. As of the date of this Master Report, property within the District is owned by NNP-Bexley, LLC.

### IV. CAPITAL IMPROVEMENT PROGRAM

Pursuant to the Engineer's Report, the total CIP to be constructed and/or acquired by the District includes, but is not limited to, stormwater management, drainage and earthwork (excluding lots); roadways and paving; water, waste water and reclaimed water facilities; landscape/hardscape and recreational facilities; electric utilities and street lights; wetland mitigation along with professional fees and contingencies. The total CIP is estimated to cost \$29,162,850 as shown in detail on **Table 2**. The estimated construction costs of the CIP identified above were provided in the Engineer's Report dated January 2018. It is expected that the District will issue special assessment revenue bonds in the immediate future to fund a portion of the CIP, with the balance funded by the Developer or other sources.

### V. MASTER ASSESSMENT ALLOCATION – MAXIMUM ASSESSMENTS

Unlike property taxes, which are ad valorem in nature, a community development district may levy special assessments under Florida Statutes Chapters 170, 190 and 197 only if the parcels to be assessed receive special benefit from the infrastructure improvements acquired and/or constructed by the District. Special benefits act as a logical connection to property from the improvement system or services and facilities being constructed. These special benefits are peculiar to certain assessable lands within the designated assessment area within the district and differ in nature to those general or incidental benefits that landowners outside the designated assessment area within the district or the general public may enjoy. A district must also apportion or allocate its special assessments so that the assessments are fairly and reasonably distributed relative to the special benefit conferred. Generally speaking, this means the amount of special assessment levied on a parcel should not exceed the amount of special benefit received by that parcel. A district typically may develop and adopt an assessment methodology based on front footage, square footage, or any other reasonable allocation method, so long as the assessment meets the benefit requirement, and so long as the assessments are fairly and reasonably allocated.

#### A. Benefit Analysis

Improvements undertaken by the District, as more clearly described in the Engineer's Report, create both special benefits and general benefits. The general



Rizzetta & Company

DEL WEBB BEXLEY COMMUNITY DEVELOPMENT DISTRICT  
AMENDED AND RESTATED MASTER SPECIAL ASSESSMENT ALLOCATION REPORT

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benefits also inure to the general public at large and are incidental and distinguishable from the special benefits which accrue to the specific property within the boundaries of the District, or more precisely defined as the land uses which specifically receive benefit from the CIP as described in the report.

It is anticipated that the CIP will provide special benefit to lands within the District. The total CIP is a District-wide system of improvements and was designed specifically to facilitate the development of District properties into a viable community, from both a legal and socio-economic standpoint. Therefore, special benefits will accrue to the land uses within the District.

Valid special assessments under Florida law have two requirements. First, the properties assessed must receive a special benefit from the improvements paid for via the assessments. Second, the assessments must be fairly and reasonably allocated to the properties being assessed. If these two requirements are met, Florida law provides the District's board of supervisors with the ability to use discretion in determining the allocation of the assessments as long as the manner in which the board allocates the assessments is fairly and reasonably determined.

Florida Statute 170.201 states that the governing body of a municipality may apportion costs of such special assessments based on:

- (a) The front or square footage of each parcel of land; or
- (b) An alternative methodology, so long as the amount of the assessment for each parcel of land is not in excess of the proportional benefits as compared to other assessments on other parcels of land.

**Table 3** demonstrates the allocation of the estimated costs to the various planned unit types for the District. The costs are allocated based on the benefit derived from those costs using a blending of both flat costs, such as the improvements associated with Sunlake Boulevard and Tower Road, water facilities, landscape, hardscape and recreational facilities for which benefit is not dependent on lot size, as well as stratified costs, such as stormwater, drainage, earthwork and streetlights in which different lot sizes would be expected to affect the measure of benefit received by those lot sizes. By combining the flat and stratified costs per unit, the Equivalent Assessment Unit factor applicable to each lot size can be calculated. These EAU factors, which utilize a 50' lot frontage as the standard lot size, are provided on **Table 4**.

#### **B. Anticipated Bond Issuance**

As described above, it is expected that the District will issue one series of bonds to fund a portion of the CIP supporting the development of the District. Notwithstanding the description of the Maximum Assessments below, landowners will not have a payment obligation until the issuance of bonds, at which time the fixed assessment amounts securing those bonds, as well as a collection protocol, will be determined. Please note that the preceding statement only applies to capital assessments, and shall have no effect on the ability of the District to levy



assessments and collect payments related to the operations and maintenance of the District.

A maximum bond sizing has been provided in **Table 5**. This maximum bond amount has been calculated using conservative financing assumptions and represents a scenario in which the entire portion of CIP is funded with bond proceeds. However, the District is not obligated to issue bonds at this time, and similarly may choose to issue bonds in an amount lower than the maximum amount, which is expected. Furthermore, the District may issue bonds in various par amounts, maturities and structures up to the maximum principal amount. **Table 6** represents the Maximum Assessments necessary to support repayment of the maximum bonds.

### C. Maximum Assessment Methodology

Initially, the District will be imposing a Master Assessment lien based on the maximum benefit conferred on each parcel by the CIP. Accordingly, **Table 7** reflects the Maximum Assessment per Platted Unit. Because the District may issue bonds in various par amounts, maturities and structures, the special assessments necessary to secure repayment of those bonds will not exceed the amounts on Table 7. It is expected that the standard long-term special assessments borne by property owners will be lower than the amounts in Table 7, and will reflect assessment levels which conform with the current market.

Some of the lands subject to the Maximum Assessments are Unplatted Parcels. Assessments will be initially levied on these Unplatted Parcels on an equal assessment per acre basis. At the time parcels are platted or otherwise subdivided into Platted Units, individual Maximum Assessments will be assigned to those Platted Units at the per-unit amounts described in Table 7, thereby reducing the Maximum Assessments encumbering the Unplatted Parcels by a corresponding amount. Any unassigned amount of Maximum Assessments encumbering the remaining Unplatted Parcels will continue to be calculated and levied on an equal assessment per acre basis.

Until all the land within the District has been platted and sold, the assessments on the portion of the land that has not been platted and sold are not fixed and determinable. The reasons for this are (1) until the lands are platted, the number of developable acres within each tract against which the assessments are levied is not determined; (2) the lands are subject to re-plat, which may result in changes in development density and product type; (3) until the lands are sold, it is unclear of the timing of the absorptions. Only after the property has been platted and sold will the developable acreage be determined, the final plat be certain, the developable density known, the product types be confirmed, and the timing of the sales solidified.

In the event that developable lands that derive benefit from the CIP are added to the District's boundaries, whether by boundary amendment or increase in density, Maximum Assessments will be allocated to such lands, pursuant to the methodology described herein.



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## VI. ADDITIONAL STIPULATIONS

Certain financing, development, and engineering data was provided by members of District staff and/or the Developer. The allocation methodology described herein was based on information provided by those professionals. Rizzetta & Company, Inc. makes no representations regarding said information transactions beyond restatement of the factual information necessary for compilation of this report.

Rizzetta & Company, Inc., does not represent the Del Webb Bexley Community Development District as a Municipal Advisor or Securities Broker nor is Rizzetta & Company, Inc., registered to provide such services as described in Section 15B of the Securities and Exchange Act of 1934, as amended. Similarly, Rizzetta & Company, Inc., does not provide the Del Webb Bexley Community Development District with financial advisory services or offer investment advice in any form.



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**EXHIBIT A:**

**ALLOCATION METHODOLOGY**



Rizzetta & Company

**DEL WEBB BEXLEY  
COMMUNITY DEVELOPMENT DISTRICT  
AMENDED AND RESTATED  
MASTER SPECIAL ASSESSMENT ALLOCATION REPORT**

<b>TABLE 1: PRELIMINARY DEVELOPMENT PLAN</b>		
<b>PRODUCT</b>	<b>TOTAL UNITS</b>	<small>(1)</small>
Single Family 40'	203	Lots
Single Family 50'	457	Lots
Single Family 65'	190	Lots
<b>TOTAL:</b>	<b>850</b>	

(1) Product totals are shown for illustrative purposes and not fixed per product type. Development plan is subject to change with land platting.

**DEL WEBB BEXLEY  
COMMUNITY DEVELOPMENT DISTRICT  
AMENDED AND RESTATED  
MASTER SPECIAL ASSESSMENT ALLOCATION REPORT**

**TABLE 2: TOTAL CIP COST DETAIL**

<b>DESCRIPTION</b>	<b>Sunlake Blvd/Tower Rd.</b>	<b>District Improvements</b>	<b>TOTAL ESTIMATED COST</b>
Stormwater, Drainage and Earthwork (exc. Lots)	\$2,160,000	\$7,700,000	\$9,860,000
Roadways and Paving	\$1,800,000	-	\$1,800,000
Water/Waste Water/Reclaimed Water	\$540,000	\$6,500,000	\$7,040,000
Landscape, Hardscape & CDD Recreational Facilities	-	\$2,500,000	\$2,500,000
Power and Street Lights	\$500,000	\$1,500,000	\$2,000,000
Wetland Mitigation	\$500,000	-	\$500,000
Subtotal	\$5,500,000	\$18,200,000	\$23,700,000
Professional Services (7%)	\$385,000	\$1,274,000	\$1,659,000
Contingency (15%)	\$882,750	\$2,921,100	\$3,803,850
<b>Total CIP Construction Costs</b>	<b>\$6,767,750</b>	<b>\$22,395,100</b>	<b>\$29,162,850</b>

NOTE: Infrastructure cost estimates provided by District Engineer.

**TABLE 3: CIP METHOD OF ALLOCATION**

<b>DESCRIPTION</b>	<b>METHOD</b>		
	<b>Sunlake Blvd/Tower Rd.</b>	<b>District Improvements</b>	
Stormwater, Drainage and Earthwork (exc. Lots)	Flat	Stratified	
Roadways and Paving	Flat	-	
Water/Waste Water/Reclaimed Water	Flat	Flat	
Landscape, Hardscape & CDD Recreational Facilities	-	Flat	
Power and Street Lights	Flat	Stratified	
Wetland Mitigation	Flat	-	
Professional Services (7%)	Flat	Flat	
Contingency (15%)	Flat	Flat/Stratified	
			<b>TOTAL</b>
Total Flat:	\$6,767,750	11,815,100	18,582,850
Total Stratified:	\$0	\$10,580,000	10,580,000
Total CIP Construction Costs:	<b>\$6,767,750</b>	<b>\$22,395,100</b>	<b>\$29,162,850</b>

**DEL WEBB BEXLEY  
COMMUNITY DEVELOPMENT DISTRICT  
AMENDED AND RESTATED  
MASTER SPECIAL ASSESSMENT ALLOCATION REPORT**

**TABLE 4: TOTAL CIP COST ALLOCATION**

DESCRIPTION	ALLOC. FACTOR	UNITS	TOTAL EAU	% of EAU	TOTAL COST (1)	PER UNIT COST
<b>FLAT COSTS</b>						
40'	1.00	203	203.00	24%	\$4,438,022	\$21,862
50'	1.00	457	457.00	54%	\$9,991,015	\$21,862
65'	1.00	190	190.00	22%	\$4,153,814	\$21,862
			<u>850.00</u>	<u>100%</u>	<u><b>\$18,582,850</b></u>	
<b>STRATIFIED COSTS</b>						
40'	0.80	203	162.40	19%	\$1,983,139	\$9,769
50'	1.00	457	457.00	53%	\$5,580,633	\$12,211
65'	1.30	190	247.00	29%	\$3,016,228	\$15,875
			<u>866.40</u>	<u>100%</u>	<u><b>\$10,580,000</b></u>	
<b>TOTAL COSTS</b>					<u><b>\$29,162,850</b></u>	
<b>AGGREGATE BENEFIT ALLOCATION</b>						
DESCRIPTION	EAU FACTOR	UNITS			TOTAL COST (1)	PER UNIT COST
40'	<b>0.93</b>	203			\$6,421,161	\$31,631
50'	<b>1.00</b>	457			\$15,571,647	\$34,074
65'	<b>1.11</b>	190			\$7,170,042	\$37,737
		<u><b>850</b></u>			<u><b>\$29,162,850</b></u>	

(1) Total costs shown for illustrative purposes and are not fixed per product type.

**DEL WEBB BEXLEY  
COMMUNITY DEVELOPMENT DISTRICT  
AMENDED AND RESTATED  
MASTER SPECIAL ASSESSMENT ALLOCATION REPORT**

TABLE 5: FINANCING INFORMATION - MAXIMUM BONDS		
Coupon Rate		6.000%
MADS		\$2,526,366
SOURCES:		
	<b>MAXIMUM PRINCIPAL AMOUNT</b>	<b><u>\$34,775,000</u></b> (1)
	Total Net Proceeds	\$34,775,000
USES:		
	Construction Account	(\$29,162,850)
	Debt Service Reserve Fund	(\$2,526,366)
	Capitalized Interest (12 months)	(\$2,086,500)
	Costs of Issuance	(\$300,000)
	Underwriter's Discount	(\$695,500)
	Rounding	<u>(\$3,784)</u>
	Total Uses	(\$34,775,000)
<p>(1) The District is not obligated to issue this amount of bonds. Source: District Underwriter</p>		

TABLE 6: FINANCING INFORMATION - MAXIMUM ASSESSMENTS		
Interest Rate		6.000%
<b>Aggregate Initial Principal Amount</b>		<b>\$34,775,000</b>
Aggregate Annual Installment		\$2,526,366 (1)
Estimated County Collection Costs	2%	\$51,558 (2)
Maximum Early Payment Discounts	4%	<u>\$107,414 (2)</u>
Estimated Total Annual Installment		\$2,685,338
<p>(1) Based on MADS for the Maximum Bonds. (2) May vary as provided by law.</p>		

**DEL WEBB BEXLEY  
COMMUNITY DEVELOPMENT DISTRICT  
AMENDED AND RESTATED  
MASTER SPECIAL ASSESSMENT ALLOCATION REPORT**

**TABLE 7: ASSESSMENT ALLOCATION - MAXIMUM ASSESSMENTS (1)**

<b>PRODUCT</b>	<b>UNITS</b>	<b>EAU FACTOR</b>	<b>PRODUCT TOTAL PRINCIPAL (2)</b>	<b>PER UNIT PRINCIPAL</b>	<b>PER UNIT ANNUAL INSTLMT. (2)(3)</b>	<b>PER UNIT ANNUAL INSTLMT. (3)</b>
Single Family 40'	203	0.93	\$7,656,861	\$37,719	\$591,266	\$2,913
Single Family 50'	457	1.00	\$18,568,282	\$40,631	\$1,433,849	\$3,138
Single Family 65'	190	1.11	\$8,549,857	\$44,999	\$660,223	\$3,475
<b>TOTAL</b>	<b>850</b>		<b>\$34,775,000</b>		<b>\$2,685,338</b>	

(1) Represents maximum assessments based on total CIP and allocated by EAU. Actual imposed amounts expected to be significantly lower.  
(2) Product total shown for illustrative purposes only and are not fixed per product type.  
(3) Includes estimated Pasco County collection costs/payment discounts, which may fluctuate.

**DEL WEBB BEXLEY COMMUNITY DEVELOPMENT DISTRICT  
MAXIMUM ASSESSMENT LIEN ROLL**

<b>PARCEL ID NO.</b>	<b>OWNER</b>	<b>ACREAGE</b>	<b>MAXIMUM PRINCIPAL</b>	<b>MAXIMUM ANNUAL</b>
*See attached legal description #1	NNP-Bexley, LLC	296.231	\$24,016,359.22	\$1,854,551.82
*See attached legal description #2	Pulte Home Company, LLC	132.703	\$10,758,640.78	\$830,786.08
<b>Total:</b>		<b>428.934</b>	<b>\$34,775,000.00</b>	<b>\$2,685,337.90</b>

## Legal Description #1

**DESCRIPTION:** A parcel of land lying in Sections 9, 10, 15 and 16, Township 26 South, Range 18 East, Pasco County, Florida, and being more particularly described as follows:

**COMMENCE** at the Southwest corner of said Section 15, run thence along the West boundary of said Section 15, N.00°17'40"E., 2702.53 feet; thence S.89°42'20"E., 183.00 feet to the **POINT OF BEGINNING**; thence N.00°17'40"E., 124.23 feet to a point of curvature; thence Northerly, 1306.64 feet along the arc of a curve to the left having a radius of 2183.00 feet and a central angle of 34°17'40" (chord bearing N.16°51'10"W., 1287.22 feet) to a point of tangency; thence N.34°00'00"W., 316.72 feet to a point of curvature; thence Northwesterly, 492.85 feet along the arc of a curve to the right having a radius of 2017.00 feet and a central angle of 14°00'00" (chord bearing N.27°00'00"W., 491.62 feet) to a point of tangency; thence N.20°00'00"W., 316.72 feet to a point of curvature; thence Northwesterly, 1800.25 feet along the arc of a curve to the left having a radius of 2183.00 feet and a central angle of 47°15'00" (chord bearing N.43°37'30"W., 1749.67 feet); thence N.22°45'00"E., 42.00 feet; thence N.02°00'00"W., 1730.04 feet; thence N.10°45'00"W., 752.72 feet to a point on a curve; thence Northeasterly, 1106.69 feet along the arc of a curve to the left having a radius of 1371.00 feet and a central angle of 46°15'00" (chord bearing N.56°07'30"E., 1076.89 feet) to a point of tangency; thence N.33°00'00"E., 298.39 feet to a point of curvature; thence Northeasterly, 448.93 feet along the arc of a curve to the right having a radius of 1429.00 feet and a central angle of 18°00'00" (chord bearing N.42°00'00"E., 447.09 feet) to a point of tangency; thence N.51°00'00"E., 109.14 feet to a point of curvature; thence Easterly, 39.27 feet along the arc of a curve to the right having a radius of 25.00 feet and a central angle of 90°00'00" (chord bearing S.84°00'00"E., 35.36 feet) to a point of tangency; thence S.39°00'00"E., 28.69 feet to a point of curvature; thence Southeasterly, 546.26 feet along the arc of a curve to the right having a radius of 1429.00 feet and a central angle of 21°54'08" (chord bearing S.28°02'56"E., 542.94 feet) to a point of reverse curvature; thence Southeasterly, 1505.37 feet along the arc of a curve to the left having a radius of 1571.00 feet and a central angle of 54°54'08" (chord bearing S.44°32'56"E., 1448.43 feet) to a point of tangency; thence S.72°00'00"E., 275.00 feet to a point of curvature; thence Southeasterly, 1122.22 feet along the arc of a curve to the right having a radius of 1429.00 feet and a central angle of 44°59'43" (chord bearing S.49°30'08"E., 1093.60 feet) to a point of reverse curvature; thence Southeasterly, 740.19 feet along the arc of a curve to the left having a radius of 1571.00 feet and a central angle of 26°59'43" (chord bearing S.40°30'08"E., 733.36 feet) to a point of reverse curvature; thence Southeasterly, 1361.32 feet along the arc of a curve to the right having a radius of 1429.00 feet and a central angle of 54°34'55" (chord bearing S.26°42'32"E., 1310.42 feet) to a point of tangency; thence S.00°34'55"W., 554.00 feet to a point of curvature; thence Southwesterly, 39.27 feet along the arc of a curve to the right having a radius of 25.00 feet and a central angle of 90°00'00" (chord bearing S.45°34'55"W., 35.36 feet) to a point of tangency; thence N.89°25'05"W., 174.00 feet to a point of curvature; thence Southwesterly, 1319.35 feet along the arc of a curve to the left having a radius of 1071.00 feet and a central angle of 70°34'55" (chord bearing S.55°17'28"W., 1237.50 feet) to a point of tangency; thence S.20°00'00"W., 1257.25 feet to a point of curvature; thence Southwesterly, 1257.28 feet along the arc of a curve to the right having a radius of 1429.00 feet and a central angle of 50°24'39" (chord bearing S.45°12'19"W., 1217.12 feet) to a point of tangency; thence S.70°24'39"W., 93.58 feet to a point of curvature; thence Northwesterly, 67.12 feet along the arc of a curve to the right having a radius of 35.00 feet and a central angle of 109°53'01" (chord bearing N.54°38'51"W., 57.30 feet) to the **POINT OF BEGINNING**.

Containing 428.934 acres, more or less.

**LESS AND EXCEPT:**

A parcel of land lying in Sections 9, 10, 15 and 16, Township 26 South, Range 18 East, Pasco County, Florida, and being more particularly described as follows:

**COMMENCE** at the Southwest corner of said Section 15, run thence along the West boundary of said Section 15, N.00°17'40"E., 2702.53 feet; thence S.89°42'20"E., 183.00 feet to the **POINT OF BEGINNING**; thence N.00°17'40"E., a distance of 124.23 feet; thence Northerly, 1306.64 feet along the arc of a tangent curve to the left having a radius of 2183.00 feet and a central angle of 34°17'40" (chord bearing N.16°51'10"W., 1287.22 feet); thence N.34°00'00"W., a distance of 316.72 feet; thence Northwesterly, 492.85 feet along the arc of a tangent curve to the right having a radius of 2017.00 feet and a central angle of 14°00'00" (chord bearing N.27°00'00"W., 491.62 feet); thence N.20°00'00"W., a distance of 316.72 feet; thence Northwesterly, 1507.93 feet along the arc of a tangent curve to the left having a radius of 2183.00 feet and a central angle of 39°34'40" (chord bearing N.39°47'20"W., 1478.13 feet); thence N.30°25'20"E., a distance of 41.56 feet; thence S.88°14'07"E., a distance of 55.73 feet; thence N.74°09'53"E., a distance of 55.73 feet; thence N.61°58'16"E., a distance of 20.82 feet; thence N.65°07'00"E., a distance of 407.50 feet; thence N.70°07'11"E., a distance of 53.29 feet; thence N.89°00'00"E., a distance of 52.16 feet; thence S.72°45'00"E., a distance of 45.53 feet; thence S.55°45'00"E., a distance of 45.53 feet; thence S.38°45'00"E., a distance of 45.53 feet; thence S.21°45'00"E., a distance of 45.53 feet; thence S.04°45'00"E., a distance of 45.53 feet; thence S.08°14'46"W., a distance of 49.10 feet; thence S.09°00'00"W., a distance of 100.00 feet; thence S.81°00'00"E., a distance of 121.00 feet; thence N.09°00'00"E., a distance of 46.47 feet; thence S.81°00'00"E., a distance of 187.26 feet; thence N.57°45'00"E., a distance of 575.76 feet; thence Southeasterly, 421.00 feet along the arc of a non-tangent curve to the left having a radius of 540.00 feet and a central angle of 44°40'12" (chord bearing S.55°12'33"E., 410.42 feet); thence N.12°27'21"E., a distance of 80.00 feet; thence Easterly, 550.91 feet along the arc of a non-tangent curve to the right having a radius of 2040.00 feet and a central angle of 15°28'23" (chord bearing S.69°48'28"E., 549.24 feet); thence S.27°55'44"W., a distance of 80.00 feet; thence Southeasterly, 60.27 feet along the arc of a non-tangent curve to the right having a radius of 1960.00 feet and a central angle of 01°45'43" (chord bearing S.61°11'25"E., 60.27 feet); thence S.33°56'00"W., a distance of 70.63 feet; thence S.61°58'32"W., a distance of 56.65 feet; thence S.43°26'00"W., a distance of 50.70 feet; thence S.33°56'00"W., a distance of 52.74 feet; thence S.19°32'00"W., a distance of 50.60 feet; thence S.01°56'00"W., a distance of 55.73 feet; thence S.15°40'00"E., a distance of 55.73 feet; thence S.33°16'00"E., a distance of 64.16 feet; thence S.56°04'00"E., a distance of 72.59 feet; thence S.78°52'00"E., a distance of 64.16 feet; thence N.83°32'00"E., a distance of 55.73 feet; thence N.65°56'00"E., a distance of 55.73 feet; thence N.48°20'00"E., a distance of 50.60 feet; thence N.33°56'00"E., a distance of 52.74 feet; thence N.24°26'00"E., a distance of 50.70 feet; thence S.53°36'05"E., a distance of 20.29 feet; thence S.59°23'00"E., a distance of 57.98 feet; thence S.63°45'00"E., a distance of 57.98 feet; thence S.68°07'00"E., a distance of 57.98 feet; thence S.27°21'56"E., a distance of 36.15 feet; thence S.08°12'45"W., a distance of 50.01 feet; thence S.02°35'00"W., a distance of 65.97 feet; thence S.06°18'26"E., a distance of 75.98 feet; thence S.18°07'34"E., a distance of 75.98 feet; thence S.27°01'00"E., a distance of 65.97 feet; thence S.35°59'00"E., a distance of 65.97 feet; thence S.44°57'00"E., a distance of 65.97 feet; thence S.53°55'00"E., a distance of 65.97 feet; thence S.62°53'00"E., a distance of 65.97 feet; thence S.71°51'00"E., a distance of 65.97 feet; thence S.80°49'00"E., a distance of 65.97 feet; thence N.89°26'27"E., a distance of 77.33 feet; thence N.78°55'33"E., a distance of 77.33 feet; thence N.69°11'00"E., a distance of 65.97 feet; thence S.49°49'19"E., a distance of 73.06 feet; thence Southwesterly, 377.18 feet along the arc of a non-tangent curve to the left having a radius of 1071.00 feet and a central

angle of  $20^{\circ}10'41''$  (chord bearing  $S.30^{\circ}05'21''W.$ , 375.23 feet); thence  $S.20^{\circ}00'00''W.$ , a distance of 1257.25 feet; thence Southwesterly, 1257.28 feet along the arc of a tangent curve to the right having a radius of 1429.00 feet and a central angle of  $50^{\circ}24'39''$  (chord bearing  $S.45^{\circ}12'19''W.$ , 1217.12 feet); thence  $S.70^{\circ}24'39''W.$ , a distance of 93.58 feet; thence Northwesterly, 67.12 feet along the arc of a tangent curve to the right having a radius of 35.00 feet and a central angle of  $109^{\circ}53'01''$  (chord bearing  $N.54^{\circ}38'51''W.$ , 57.30 feet) to the **POINT OF BEGINNING**.

Containing 132.703 acres.

**TOTALING: 296.231 ACRES**

## Legal Description #2

**DESCRIPTION:** Bexley Del Webb Phase 1 (by GeoPoint Surveying, Inc)

A parcel of land lying in Sections 9, 10, 15 and 16, Township 26 South, Range 18 East, Pasco County, Florida, and being more particularly described as follows:

**COMMENCE** at the Southwest corner of said Section 15, run thence along the West boundary of said Section 15, N.00°17'40"E., 2702.53 feet; thence S.89°42'20"E., 183.00 feet to the **POINT OF BEGINNING**; thence N.00°17'40"E., a distance of 124.23 feet; thence Northerly, 1306.64 feet along the arc of a tangent curve to the left having a radius of 2183.00 feet and a central angle of 34°17'40" (chord bearing N.16°51'10"W., 1287.22 feet); thence N.34°00'00"W., a distance of 316.72 feet; thence Northwesterly, 492.85 feet along the arc of a tangent curve to the right having a radius of 2017.00 feet and a central angle of 14°00'00" (chord bearing N.27°00'00"W., 491.62 feet); thence N.20°00'00"W., a distance of 316.72 feet; thence Northwesterly, 1507.93 feet along the arc of a tangent curve to the left having a radius of 2183.00 feet and a central angle of 39°34'40" (chord bearing N.39°47'20"W., 1478.13 feet); thence N.30°25'20"E., a distance of 41.56 feet; thence S.88°14'07"E., a distance of 55.73 feet; thence N.74°09'53"E., a distance of 55.73 feet; thence N.61°58'16"E., a distance of 20.82 feet; thence N.65°07'00"E., a distance of 407.50 feet; thence N.70°07'11"E., a distance of 53.29 feet; thence N.89°00'00"E., a distance of 52.16 feet; thence S.72°45'00"E., a distance of 45.53 feet; thence S.55°45'00"E., a distance of 45.53 feet; thence S.38°45'00"E., a distance of 45.53 feet; thence S.21°45'00"E., a distance of 45.53 feet; thence S.04°45'00"E., a distance of 45.53 feet; thence S.08°14'46"W., a distance of 49.10 feet; thence S.09°00'00"W., a distance of 100.00 feet; thence S.81°00'00"E., a distance of 121.00 feet; thence N.09°00'00"E., a distance of 46.47 feet; thence S.81°00'00"E., a distance of 187.26 feet; thence N.57°45'00"E., a distance of 575.76 feet; thence Southeasterly, 421.00 feet along the arc of a non-tangent curve to the left having a radius of 540.00 feet and a central angle of 44°40'12" (chord bearing S.55°12'33"E., 410.42 feet); thence N.12°27'21"E., a distance of 80.00 feet; thence Easterly, 550.91 feet along the arc of a non-tangent curve to the right having a radius of 2040.00 feet and a central angle of 15°28'23" (chord bearing S.69°48'28"E., 549.24 feet); thence S.27°55'44"W., a distance of 80.00 feet; thence Southeasterly, 60.27 feet along the arc of a non-tangent curve to the right having a radius of 1960.00 feet and a central angle of 01°45'43" (chord bearing S.61°11'25"E., 60.27 feet); thence S.33°56'00"W., a distance of 70.63 feet; thence S.61°58'32"W., a distance of 56.65 feet; thence S.43°26'00"W., a distance of 50.70 feet; thence S.33°56'00"W., a distance of 52.74 feet; thence S.19°32'00"W., a distance of 50.60 feet; thence S.01°56'00"W., a distance of 55.73 feet; thence S.15°40'00"E., a distance of 55.73 feet; thence S.33°16'00"E., a distance of 64.16 feet; thence S.56°04'00"E., a distance of 72.59 feet; thence S.78°52'00"E., a distance of 64.16 feet; thence N.83°32'00"E., a distance of 55.73 feet; thence N.65°56'00"E., a distance of 55.73 feet; thence N.48°20'00"E., a distance of 50.60 feet; thence N.33°56'00"E., a distance of 52.74 feet; thence N.24°26'00"E., a distance of 50.70 feet; thence S.53°36'05"E., a distance of 20.29 feet; thence S.59°23'00"E., a distance of 57.98 feet; thence S.63°45'00"E., a distance of 57.98 feet; thence S.68°07'00"E., a distance of 57.98 feet; thence S.27°21'56"E., a distance of 36.15 feet; thence S.08°12'45"W., a distance of 50.01 feet; thence S.02°35'00"W., a distance of 65.97 feet; thence S.06°18'26"E., a distance of 75.98 feet; thence S.18°07'34"E., a distance of 75.98 feet; thence S.27°01'00"E., a distance of 65.97 feet; thence S.35°59'00"E., a distance of 65.97 feet; thence S.44°57'00"E., a distance of 65.97 feet; thence S.53°55'00"E., a distance of 65.97 feet; thence S.62°53'00"E., a distance of 65.97 feet; thence S.71°51'00"E., a distance of 65.97 feet; thence S.80°49'00"E., a distance of 65.97 feet; thence N.89°26'27"E., a distance of 77.33 feet; thence N.78°55'33"E., a distance of 77.33 feet; thence N.69°11'00"E., a distance of 65.97 feet; thence S.49°49'19"E., a distance of 73.06 feet; thence Southwesterly, 377.18 feet along the arc of a non-tangent curve to the left having a radius of 1071.00 feet and a central angle of 20°10'41" (chord bearing S.30°05'21"W., 375.23 feet); thence S.20°00'00"W., a distance of 1257.25 feet; thence Southwesterly, 1257.28 feet along the arc of a tangent curve to the right having a radius of 1429.00 feet and a central angle of 50°24'39" (chord bearing S.45°12'19"W., 1217.12 feet); thence S.70°24'39"W., a distance of 93.58 feet; thence Northwesterly, 67.12 feet along the arc of a tangent curve to the right having a radius of 35.00 feet and a central angle of 109°53'01" (chord bearing N.54°38'51"W., 57.30 feet) to the **POINT OF BEGINNING**.

Containing 132.703 acres.



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# Del Webb Bexley Community Development District

Final Supplemental  
Special Assessment Allocation Report

Special Assessment Bonds, Series 2018

12750 Citrus Park Lane  
Suite 115  
Tampa, FL 33625

[rizzetta.com](http://rizzetta.com)

October 17, 2018

Professionals in Community Management

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## I. INTRODUCTION

This Final Supplemental Special Assessment Allocation Report is being presented in anticipation of financing a capital infrastructure project by the Del Webb Bexley Community Development District, a local unit of special purpose government established pursuant to Chapter 190, Florida Statutes. The District plans to issue Special Assessment Bonds, Series 2018 and has retained Rizzetta & Company, Inc. to prepare a methodology for allocating the special assessments to be levied by the District in connection with the transaction.

## II. DEFINED TERMS

**“Capital Improvement Plan”** – (or “CIP”) Construction and/or acquisition of public infrastructure planned for the District. The total cost for the Capital Improvement Plan is estimated to be \$29,162,850 as specified in the Engineer’s Report dated February 2018.

**“Developer”** – Pulte Home Company, LLC.

**“District”** – Del Webb Bexley Community Development District.

**“End User”** – The ultimate purchaser of a fully developed residential unit; typically, a resident homeowner.

**“Equivalent Assessment Unit”** – (or “EAU”) Allocation factor which reflects a quantitative measure of the amount of special benefit conferred by the District’s CIP on a particular land use, relative to other land uses.

**“Indentures”** – The Master Trust Indenture dated as of October 1, 2018 and the First Supplemental Trust Indenture dated as of October 1, 2018

**“Master Landowner”** - NNP-Bexley, LLC.

**“Master Report”** – The Master Special Assessment Allocation Report originally dated February 28, 2018, as amended and restated on September 12, 2018.

**“Platted Units”** – Residential lots configured into their intended end-use and subject to a recorded plat.

**“Series 2018 Assessments”** – Special assessments as contemplated by Chapters 190, 170, and 197, Florida Statutes, levied to secure repayment of the District’s Series 2018 Bonds.

**“Series 2018 Bonds”** – \$10,180,000 Del Webb Bexley Community Development District Special Assessment Bonds, Series 2018.



**“True-Up Agreements”** – Together, the Agreement to be executed between the Del Webb Bexley Community Development District and the Developer and the Agreement to be executed between the Del Webb Community Development District and the Master Landowner, regarding the True-Up and Payment of Series 2018 Assessments.

**“Unplatted Parcels”** – Undeveloped lands or parcels not yet subject to a recorded plat in their final end-use configuration.

All capitalized terms not defined herein shall retain the meaning ascribed in the Master Report.

### III. DISTRICT INFORMATION

Del Webb Bexley Community Development District was established on October 24, 2017, pursuant to Pasco County Ordinance No. 17-27. On April 25, 2018, the District approved the Master Report, which specifies the allocation methodology to be used for the District’s bond assessments. This report will follow the methodology described in the Master Report for purposes of allocating the Series 2018 Assessments securing the District’s Series 2018 Bonds.

The District currently encompasses approximately 429 acres and is expected to ultimately include 850 platted single-family residential units. This is expected to be the District’s only bond issuance and will encumber all units within the District.

Table 1 illustrates the District’s current development plan.

### IV. CAPITAL IMPROVEMENT PLAN

The District’s Capital Improvement Plan is estimated to cost a total of \$29,162,850 and is expected to be partially funded by Series 2018 Bonds. The portion of the CIP to be funded with Series 2018 Bonds is \$8,623,818.75, with the balance of the Capital Improvement Plan funded by the Developer or other funding sources. For more detailed information regarding the Capital Improvement Plan, see Table 2 and the Engineer’s Report dated February 2018.

### V. SERIES 2018 BONDS AND ASSESSMENTS

In order to provide for the CIP funding described in Section IV above, the District plans to issue Series 2018 Bonds, which will be secured by the pledged revenues from Series 2018 Assessments. The Series 2018 Assessments will initially be levied in the principal amount of \$10,180,000 and shall be structured in the same manner as the Series 2018 Bonds, so that revenues from the Series 2018 Assessments are sufficient to fulfill the debt service requirements for the Series 2018 Bonds.

The Series 2018 Bonds will be structured as amortizing current-interest bonds, with repayment occurring in substantially equal annual installments of principal and interest.



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Interest payment dates shall occur every May 1 and November 1 from the date of issuance until final maturity on May 1, 2049. The first scheduled payment of coupon interest will be due on May 1, 2019, although interest will be capitalized through May 1, 2020, with the first installment of principal due on May 1, 2021. The annual principal payment will be due each May 1 thereafter until final maturity, with the maximum annual debt service at \$692,507.50. The general financing terms of the Series 2018 Bonds are summarized on Table 3.

It is expected that the Series 2018 Assessment installments assigned to Platted Units will be collected via the Pasco County property tax bill process (Uniform Method)<sup>1</sup>. Accordingly, the Series 2018 Assessments have been adjusted to allow for current county collection costs and the possibility that landowners will avail themselves of early payment discounts. Currently, the aggregate rate for costs and discounts is 6.0%, but this may fluctuate as provided by law.

## **VI. SERIES 2018 ASSESSMENT ALLOCATION**

The District's Master Report contains specific special benefit findings relative to the Maximum Assessments and the District's CIP. As stated therein, the CIP cost per unit and Maximum Assessments were allocated pursuant to an EAU-based methodology.

Per Section IV above, the Series 2018 Bonds will fund a portion of the District's CIP, which is expected to be constructed in a manner generally proportionate to the construction of improvements for the total CIP. Accordingly, it is expected that the improvements funded by the Series 2018 Bonds will confer benefit on the District's developable parcels in a manner generally proportionate to and consistent with the allocation of benefit found in the Master Report. Therefore, it is proper to impose Series 2018 Assessments on the units specified in Table 5, as well as the District's Series 2018 Assessment Roll.

### **A. Assessment Allocation**

The Series 2018 Assessments are expected to ultimately be allocated to the units shown on Table 5 using target annual assessments provided by the Developer. As allocated, the Series 2018 Assessments fall within the cost/benefit thresholds, as well as the Maximum Assessment levels, established by the Master Report. The District will recognize in-kind contributions of infrastructure by the Developer in the amount of \$1,365,819.25 as an assessment credit to the product types specified in Table 6, in order to reach target assessment levels. See Table 6 for the contribution calculation.

The Series 2018 Assessment Roll is located on page A-6.

<sup>1</sup> The ultimate collection procedure is subject to District approval. Nothing herein should be construed as mandating collections that conflict with the terms, privileges, and remedies provided in the Indenture, Florida law, assessment resolutions, and/or other applicable agreements.



## **B. Assignment of Assessments**

The Series 2018 Bonds and Series 2018 Assessments have been sized based on the expectation that the Series 2018 Assessments will be fully absorbed by the 850 planned Platted Units shown on Table 5. However, the Series 2018 Assessments securing the Series 2018 Bonds will initially be levied over all the Unplatted Parcels and will be assigned on a first-platted, first-assessed basis.

Since the lands subject to the Series 2018 Assessments currently consist of Unplatted Parcels, assessments will be initially levied on these parcels on an equal assessment per-acre basis. At the time parcels are platted or otherwise subdivided into Platted Units, individual Series 2018 Assessments will be assigned to those Platted Units at the per-unit amounts described in Table 5, thereby reducing the Series 2018 Assessments encumbering the Unplatted Parcels by a corresponding amount. Any unassigned amount of Series 2018 Assessments encumbering the remaining Unplatted Parcels will continue to be calculated and levied on an equal assessment per-acre basis.

In the event an Unplatted Parcel is sold to a third party not affiliated with the Developer and/or Master Landowner, Series 2018 Assessments will be assigned to that Unplatted Parcel based on the maximum total number of Platted Units assigned by the Developer to that Unplatted Parcel. The owner of that Unplatted Parcel will be responsible for the total assessments applicable to the Unplatted Parcel, regardless of the total number of Platted Units ultimately actually platted. These total assessments are fixed to the Unplatted Parcel at the time of the sale. If the Unplatted Parcel is subsequently sub-divided into smaller parcels, the total assessments initially allocated to the Unplatted Parcel will be re-allocated to the smaller parcels pursuant to the methodology as described herein (i.e., equal assessment per acre until platting).

In the event that developable lands that derive benefit from the CIP are added to the District boundaries, whether by boundary amendment or increase in density, Series 2018 Assessments will be allocated to such lands, pursuant to the methodology described herein.

## **VII. PREPAYMENT AND TRUE-UP OF SERIES 2018 ASSESSMENTS**

The Series 2018 Assessments encumbering a parcel may be prepaid in full at any time, without penalty, together with interest at the rate on the corresponding Series 2018 Bonds to the bond interest payment date that is more than forty-five (45) days next succeeding the date of prepayment. Notwithstanding the preceding provisions, the District does not waive the right to assess penalties which would otherwise be permissible if the parcel being prepaid is subject to an assessment delinquency.

Because this methodology assigns defined, fixed assessments to Platted Units, the District's Series 2018 Assessment program is predicated on the development of units in the manner described in Table 1. However, if a change in development results in the net decrease in the overall principal amount of assessments able to be assigned to the lands described in Table 5, then a true-up, or principal reduction payment, will be required to



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cure the deficiency. At such time as lands are to be platted, the plat (herein, "Proposed Plat") shall be presented to the District for review pursuant to the terms herein. The District shall perform a review of the development plan for true-up calculation purposes upon the presentation of a Proposed Plat that includes the lesser of (i) at least 50% of the acres within the District, or (ii) at least 50% of the planned units for the District. Such review shall be limited solely to the function and the enforcement of the District's assessment liens and/or true-up agreements. Nothing herein shall in any way operate to or be construed as providing any other plat approval or disapproval powers to the District. If such Proposed Plat is consistent with the development plan as identified in Table 1, the District shall allocate the Series 2018 Assessments to the product types being platted and the remaining property in accordance with this Assessment Report and cause the Assessments to be recorded in the District's Improvement Lien Book. Once the Series 2018 Assessments are fully absorbed by platted units, any remaining platted units and/or lands may be subject to future debt assessments, or the Assessments may be reallocated. However, if a change in development as reflected in a Proposed Plat results in a net decrease in the overall principal amount of Series 2018 Assessments able to be assigned to the planned units described in this report, as determined by comparing the debt per acre amounts on the remaining unplatted lands before and after presentation of the Proposed Plat, then the District shall, subject to the provisions below, require the Developer and/or the Master Landowner of the lands encompassed by the Proposed Plat to pay a "True-Up Payment" equal to the shortfall in Series 2018 Assessments resulting from the reduction of planned units shall become due and payable prior to the District's approval of the plat, in addition to the regular assessment installment payable for lands owned by the Developer and/or the Master Landowner for that tax year. A change in development may also result in the need for an additional contribution of infrastructure, in order to maintain target assessment levels (if applicable). For more information on the true-process, please see the True-Up Agreements.

Similarly, if a reconfiguration of lands would result in the collection of substantial excess assessment revenue in the aggregate, then the District shall undertake a pro rata reduction of assessments for all assessed properties.

#### **VIII. ADDITIONAL STIPULATIONS**

Certain financing, development and engineering data was provided by members of District staff, including the District Underwriter, District Engineer, Master Landowner and the Developer. The allocation methodology described herein was based on information provided by those professionals. Rizzetta & Company, Inc. makes no representations regarding said information transactions beyond restatement of the factual information necessary for compilation of this report.

Rizzetta & Company, Inc. does not represent the Del Webb Bexley Community Development District as a Municipal Advisor or Securities Broker nor is Rizzetta & Company, Inc., registered to provide such services as described in Section 15B of the Securities and Exchange Act of 1934, as amended. Similarly, Rizzetta & Company, Inc., does not provide the Del Webb Bexley Community Development District with financial advisory services or offer investment advice in any form.



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**EXHIBIT A:**

**ALLOCATION METHODOLOGY**



**DEL WEBB BEXLEY  
COMMUNITY DEVELOPMENT DISTRICT  
SPECIAL ASSESSMENT BONDS, SERIES 2018**

**TABLE 1: CURRENT DEVELOPMENT PLAN**

<b>PRODUCT</b>	<b>EAU</b>	<b>Phase 1</b>	<b>Phase 2</b>	<b>Phase 3</b>	<b>Phase 4</b>	<b>TOTAL</b>	
Single Family 40'	0.93	54	41	58	49	202	Units
Single Family 50'	1.00	113	107	102	138	460	Units
Single Family 65'	1.11	52	58	49	29	188	Units
<b>TOTAL:</b>		<b>219</b>	<b>206</b>	<b>209</b>	<b>216</b>	<b>850</b>	

**DEL WEBB BEXLEY  
COMMUNITY DEVELOPMENT DISTRICT  
SPECIAL ASSESSMENT BONDS, SERIES 2018**

**TABLE 2: TOTAL CIP COST DETAIL**

<b>DESCRIPTION</b>	<b>Sunlake Blvd/Tower Rd.</b>	<b>District Improvements</b>	<b>TOTAL ESTIMATED COST</b>
Stormwater, Drainage and Earthwork (exc. lots)	\$2,160,000	\$7,700,000	\$9,860,000
Roadways and Paving	\$1,800,000	-	\$1,800,000
Water/Waste Water/Reclaimed Water	\$540,000	\$6,500,000	\$7,040,000
Landscape, Hardscape & CDD Recreational Facilities	-	\$2,500,000	\$2,500,000
Power and Street Lights	\$500,000	\$1,500,000	\$2,000,000
Wetland Mitigation	\$500,000	-	\$500,000
Subtotal	\$5,500,000	\$18,200,000	\$23,700,000
Professional Services (7%)	\$385,000	\$1,274,000	\$1,659,000
Contingency (15%)	\$882,750	\$2,921,100	\$3,803,850
<b>Total CIP Construction Costs</b>	<b>\$6,767,750</b>	<b>\$22,395,100</b>	<b>\$29,162,850</b>
CIP Costs Funded by Series 2018 Bonds			\$8,623,819
Recognized Contribution of Infrastructure To Reach Target Assessment Levels			\$1,365,819
Additional Construction Costs Funded by the Developer or Other Sources			\$19,173,212
<b>Total Construction Costs</b>			<b>\$29,162,850</b>

NOTE: Infrastructure cost estimates provided by District Engineer.

**DEL WEBB BEXLEY  
COMMUNITY DEVELOPMENT DISTRICT  
SPECIAL ASSESSMENT BONDS, SERIES 2018**

**TABLE 3: FINANCING INFORMATION - SERIES 2018 BONDS**

Issue Date		10/26/2018
Final Maturity		5/1/2049
Principal Installments		29
Average Coupon Rate		5.334%
Maximum Annual Debt Service ("MADS")		\$692,507.50
 <b>SOURCES:</b>		
	<b>PAR AMOUNT</b>	<b>\$10,180,000.00</b>
		<hr/>
Total Net Proceeds		\$10,180,000.00
 <b>USES:</b>		
Project Fund		(\$8,623,818.75)
Debt Service Reserve Fund		(\$346,253.75) (1)
Capitalized Interest (through 5/1/2020)		(\$806,327.50)
Costs of Issuance		(\$200,000.00)
Underwriter's Discount		(\$203,600.00)
		<hr/>
Total Uses		(\$10,180,000.00)
 (1) 50% of MADS Source: District Underwriter.		

**TABLE 4: FINANCING INFORMATION - SERIES 2018 ASSESSMENTS**

Est. Interest Rate		5.334%
First Installment		FY 2019/2020
Final Installment		FY 2048/2049
 <b>Initial Principal Amount</b>		 <b>\$10,180,000</b>
Aggregate Annual Installment		\$692,800 (1)
Estimated County Collection Costs	2.00%	\$14,139 (2)
Maximum Early Payment Discounts	4.00%	\$29,456 (2)
		<hr/>
Total Annual Installment		\$736,395
 (1) Based on target annual installments. (2) May vary as provided by law.		

**DEL WEBB BEXLEY  
COMMUNITY DEVELOPMENT DISTRICT  
SPECIAL ASSESSMENT BONDS, SERIES 2018**

**TABLE 5: ASSESSMENT ALLOCATION - SERIES 2018 ASSESSMENTS (1)**

<b>PRODUCT</b>	<b>UNITS (2)</b>	<b>PRODUCT TOTAL PRINCIPAL (3)</b>	<b>PER UNIT PRINCIPAL</b>	<b>PRODUCT ANNUAL INSTLMT. (3)(4)</b>	<b>PER UNIT INSTLMT. (4)</b>
Single Family 40'	202	\$1,899,640	\$9,404	\$137,415	\$680
Single Family 50'	460	\$5,407,390	\$11,755	\$391,156	\$850
Single Family 65'	188	\$2,872,970	\$15,282	\$207,823	\$1,105
<b>TOTAL</b>	<b>850</b>	<b>\$10,180,000</b>		<b>\$736,395</b>	

(1) Allocation of Series 2018 Assessments based on target assessment levels. There will be a recognized in-kind contribution of infrastructure by the Developer as an assessment credit to certain unit types in order to reach target assessment levels. See Table 6 for the contribution calculation.

(2) Series 2018 Assessments will be allocated on a first-platted first-assessed basis, and are expected to be absorbed by the 850 platted units shown here.

(3) Product total shown for illustrative purposes only and are not fixed per product type.

(4) Includes estimated Pasco County collection costs/payment discounts, which may fluctuate.

**DEL WEBB BEXLEY  
COMMUNITY DEVELOPMENT DISTRICT  
SPECIAL ASSESSMENT BONDS, SERIES 2018**

**TABLE 6: CONTRIBUTION CALCULATION (1)**

<b>PRODUCT</b>	<b>UNITS</b>	<b>EAU</b>	<b>TOTAL COSTS FUNDED</b>	<b>TARGET COSTS PER UNIT (3)</b>	<b>COSTS PER UNIT BY EAU</b>	<b>CONTRIBUTION PER UNIT</b>	<b>TOTAL CONTRIBUTION (4)</b>
Single Family 40'	202	0.93	\$1,609,248.39	\$7,966.58	\$10,846.39	\$2,879.81	\$581,721.55
Single Family 50'	460	1.00	\$4,580,781.32	\$9,958.22	\$11,662.78	\$1,704.56	\$784,097.70
Single Family 65'	188	1.11	\$2,433,789.03	\$12,945.69	\$12,945.69	\$0.00	\$0.00
	<b>850</b>		<b>\$8,623,818.75</b> (2)				<b>\$1,365,819.25</b>

(1) All numbers are based on construction costs and thus are net of financing costs.  
(2) Total CIP costs to be funded with Series 2018 Bonds. See Table 2.  
(3) Per unit costs funded with Series 2018 Bonds.  
(4) Total contribution of infrastructure due to the difference between the target and the EAU allocation. See Table 2 for the application of the contribution.

**DEL WEBB BEXLEY COMMUNITY DEVELOPMENT DISTRICT  
SERIES 2018 ASSESSMENT LIEN ROLL**

<b>PARCEL ID NO.</b>	<b>OWNER</b>	<b>ACREAGE</b>	<b>SERIES 2018 PRINCIPAL</b>	<b>SERIES 2018 ANNUAL INSTALLMENT <sup>(1)</sup></b>
*See attached legal description #1	NNP-Bexley, LLC	296.231	\$7,030,526	\$508,570
*See attached legal description #2	Pulte Home Company, LLC	132.703	\$3,149,474	\$227,825
<b>Total:</b>		<b>428.934</b>	<b>\$10,180,000</b>	<b>\$736,395</b>

## Legal Description #1

**DESCRIPTION:** A parcel of land lying in Sections 9, 10, 15 and 16, Township 26 South, Range 18 East, Pasco County, Florida, and being more particularly described as follows:

**COMMENCE** at the Southwest corner of said Section 15, run thence along the West boundary of said Section 15, N.00°17'40"E., 2702.53 feet; thence S.89°42'20"E., 183.00 feet to the **POINT OF BEGINNING**; thence N.00°17'40"E., 124.23 feet to a point of curvature; thence Northerly, 1306.64 feet along the arc of a curve to the left having a radius of 2183.00 feet and a central angle of 34°17'40" (chord bearing N.16°51'10"W., 1287.22 feet) to a point of tangency; thence N.34°00'00"W., 316.72 feet to a point of curvature; thence Northwesterly, 492.85 feet along the arc of a curve to the right having a radius of 2017.00 feet and a central angle of 14°00'00" (chord bearing N.27°00'00"W., 491.62 feet) to a point of tangency; thence N.20°00'00"W., 316.72 feet to a point of curvature; thence Northwesterly, 1800.25 feet along the arc of a curve to the left having a radius of 2183.00 feet and a central angle of 47°15'00" (chord bearing N.43°37'30"W., 1749.67 feet); thence N.22°45'00"E., 42.00 feet; thence N.02°00'00"W., 1730.04 feet; thence N.10°45'00"W., 752.72 feet to a point on a curve; thence Northeasterly, 1106.69 feet along the arc of a curve to the left having a radius of 1371.00 feet and a central angle of 46°15'00" (chord bearing N.56°07'30"E., 1076.89 feet) to a point of tangency; thence N.33°00'00"E., 298.39 feet to a point of curvature; thence Northeasterly, 448.93 feet along the arc of a curve to the right having a radius of 1429.00 feet and a central angle of 18°00'00" (chord bearing N.42°00'00"E., 447.09 feet) to a point of tangency; thence N.51°00'00"E., 109.14 feet to a point of curvature; thence Easterly, 39.27 feet along the arc of a curve to the right having a radius of 25.00 feet and a central angle of 90°00'00" (chord bearing S.84°00'00"E., 35.36 feet) to a point of tangency; thence S.39°00'00"E., 28.69 feet to a point of curvature; thence Southeasterly, 546.26 feet along the arc of a curve to the right having a radius of 1429.00 feet and a central angle of 21°54'08" (chord bearing S.28°02'56"E., 542.94 feet) to a point of reverse curvature; thence Southeasterly, 1505.37 feet along the arc of a curve to the left having a radius of 1571.00 feet and a central angle of 54°54'08" (chord bearing S.44°32'56"E., 1448.43 feet) to a point of tangency; thence S.72°00'00"E., 275.00 feet to a point of curvature; thence Southeasterly, 1122.22 feet along the arc of a curve to the right having a radius of 1429.00 feet and a central angle of 44°59'43" (chord bearing S.49°30'08"E., 1093.60 feet) to a point of reverse curvature; thence Southeasterly, 740.19 feet along the arc of a curve to the left having a radius of 1571.00 feet and a central angle of 26°59'43" (chord bearing S.40°30'08"E., 733.36 feet) to a point of reverse curvature; thence Southeasterly, 1361.32 feet along the arc of a curve to the right having a radius of 1429.00 feet and a central angle of 54°34'55" (chord bearing S.26°42'32"E., 1310.42 feet) to a point of tangency; thence S.00°34'55"W., 554.00 feet to a point of curvature; thence Southwesterly, 39.27 feet along the arc of a curve to the right having a radius of 25.00 feet and a central angle of 90°00'00" (chord bearing S.45°34'55"W., 35.36 feet) to a point of tangency; thence N.89°25'05"W., 174.00 feet to a point of curvature; thence Southwesterly, 1319.35 feet along the arc of a curve to the left having a radius of 1071.00 feet and a central angle of 70°34'55" (chord bearing S.55°17'28"W., 1237.50 feet) to a point of tangency; thence S.20°00'00"W., 1257.25 feet to a point of curvature; thence Southwesterly, 1257.28 feet along the arc of a curve to the right having a radius of 1429.00 feet and a central angle of 50°24'39" (chord bearing S.45°12'19"W., 1217.12 feet) to a point of tangency; thence S.70°24'39"W., 93.58 feet to a point of curvature; thence Northwesterly, 67.12 feet along the arc of a curve to the right having a radius of 35.00 feet and a central angle of 109°53'01" (chord bearing N.54°38'51"W., 57.30 feet) to the **POINT OF BEGINNING**.

Containing 428.934 acres, more or less.

**LESS AND EXCEPT:**

A parcel of land lying in Sections 9, 10, 15 and 16, Township 26 South, Range 18 East, Pasco County, Florida, and being more particularly described as follows:

**COMMENCE** at the Southwest corner of said Section 15, run thence along the West boundary of said Section 15, N.00°17'40"E., 2702.53 feet; thence S.89°42'20"E., 183.00 feet to the **POINT OF BEGINNING**; thence N.00°17'40"E., a distance of 124.23 feet; thence Northerly, 1306.64 feet along the arc of a tangent curve to the left having a radius of 2183.00 feet and a central angle of 34°17'40" (chord bearing N.16°51'10"W., 1287.22 feet); thence N.34°00'00"W., a distance of 316.72 feet; thence Northwesterly, 492.85 feet along the arc of a tangent curve to the right having a radius of 2017.00 feet and a central angle of 14°00'00" (chord bearing N.27°00'00"W., 491.62 feet); thence N.20°00'00"W., a distance of 316.72 feet; thence Northwesterly, 1507.93 feet along the arc of a tangent curve to the left having a radius of 2183.00 feet and a central angle of 39°34'40" (chord bearing N.39°47'20"W., 1478.13 feet); thence N.30°25'20"E., a distance of 41.56 feet; thence S.88°14'07"E., a distance of 55.73 feet; thence N.74°09'53"E., a distance of 55.73 feet; thence N.61°58'16"E., a distance of 20.82 feet; thence N.65°07'00"E., a distance of 407.50 feet; thence N.70°07'11"E., a distance of 53.29 feet; thence N.89°00'00"E., a distance of 52.16 feet; thence S.72°45'00"E., a distance of 45.53 feet; thence S.55°45'00"E., a distance of 45.53 feet; thence S.38°45'00"E., a distance of 45.53 feet; thence S.21°45'00"E., a distance of 45.53 feet; thence S.04°45'00"E., a distance of 45.53 feet; thence S.08°14'46"W., a distance of 49.10 feet; thence S.09°00'00"W., a distance of 100.00 feet; thence S.81°00'00"E., a distance of 121.00 feet; thence N.09°00'00"E., a distance of 46.47 feet; thence S.81°00'00"E., a distance of 187.26 feet; thence N.57°45'00"E., a distance of 575.76 feet; thence Southeasterly, 421.00 feet along the arc of a non-tangent curve to the left having a radius of 540.00 feet and a central angle of 44°40'12" (chord bearing S.55°12'33"E., 410.42 feet); thence N.12°27'21"E., a distance of 80.00 feet; thence Easterly, 550.91 feet along the arc of a non-tangent curve to the right having a radius of 2040.00 feet and a central angle of 15°28'23" (chord bearing S.69°48'28"E., 549.24 feet); thence S.27°55'44"W., a distance of 80.00 feet; thence Southeasterly, 60.27 feet along the arc of a non-tangent curve to the right having a radius of 1960.00 feet and a central angle of 01°45'43" (chord bearing S.61°11'25"E., 60.27 feet); thence S.33°56'00"W., a distance of 70.63 feet; thence S.61°58'32"W., a distance of 56.65 feet; thence S.43°26'00"W., a distance of 50.70 feet; thence S.33°56'00"W., a distance of 52.74 feet; thence S.19°32'00"W., a distance of 50.60 feet; thence S.01°56'00"W., a distance of 55.73 feet; thence S.15°40'00"E., a distance of 55.73 feet; thence S.33°16'00"E., a distance of 64.16 feet; thence S.56°04'00"E., a distance of 72.59 feet; thence S.78°52'00"E., a distance of 64.16 feet; thence N.83°32'00"E., a distance of 55.73 feet; thence N.65°56'00"E., a distance of 55.73 feet; thence N.48°20'00"E., a distance of 50.60 feet; thence N.33°56'00"E., a distance of 52.74 feet; thence N.24°26'00"E., a distance of 50.70 feet; thence S.53°36'05"E., a distance of 20.29 feet; thence S.59°23'00"E., a distance of 57.98 feet; thence S.63°45'00"E., a distance of 57.98 feet; thence S.68°07'00"E., a distance of 57.98 feet; thence S.27°21'56"E., a distance of 36.15 feet; thence S.08°12'45"W., a distance of 50.01 feet; thence S.02°35'00"W., a distance of 65.97 feet; thence S.06°18'26"E., a distance of 75.98 feet; thence S.18°07'34"E., a distance of 75.98 feet; thence S.27°01'00"E., a distance of 65.97 feet; thence S.35°59'00"E., a distance of 65.97 feet; thence S.44°57'00"E., a distance of 65.97 feet; thence S.53°55'00"E., a distance of 65.97 feet; thence S.62°53'00"E., a distance of 65.97 feet; thence S.71°51'00"E., a distance of 65.97 feet; thence S.80°49'00"E., a distance of 65.97 feet; thence N.89°26'27"E., a distance of 77.33 feet; thence N.78°55'33"E., a distance of 77.33 feet; thence N.69°11'00"E., a distance of 65.97 feet; thence S.49°49'19"E., a distance of 73.06 feet; thence Southwesterly, 377.18 feet along the arc of a non-tangent curve to the left having a radius of 1071.00 feet and a central

angle of  $20^{\circ}10'41''$  (chord bearing  $S.30^{\circ}05'21''W.$ , 375.23 feet); thence  $S.20^{\circ}00'00''W.$ , a distance of 1257.25 feet; thence Southwesterly, 1257.28 feet along the arc of a tangent curve to the right having a radius of 1429.00 feet and a central angle of  $50^{\circ}24'39''$  (chord bearing  $S.45^{\circ}12'19''W.$ , 1217.12 feet); thence  $S.70^{\circ}24'39''W.$ , a distance of 93.58 feet; thence Northwesterly, 67.12 feet along the arc of a tangent curve to the right having a radius of 35.00 feet and a central angle of  $109^{\circ}53'01''$  (chord bearing  $N.54^{\circ}38'51''W.$ , 57.30 feet) to the **POINT OF BEGINNING**.

Containing 132.703 acres.

**TOTALING: 296.231 ACRES**

## Legal Description #2

**DESCRIPTION:** Bexley Del Webb Phase 1 (by GeoPoint Surveying, Inc)

A parcel of land lying in Sections 9, 10, 15 and 16, Township 26 South, Range 18 East, Pasco County, Florida, and being more particularly described as follows:

**COMMENCE** at the Southwest corner of said Section 15, run thence along the West boundary of said Section 15, N.00°17'40"E., 2702.53 feet; thence S.89°42'20"E., 183.00 feet to the **POINT OF BEGINNING**; thence N.00°17'40"E., a distance of 124.23 feet; thence Northerly, 1306.64 feet along the arc of a tangent curve to the left having a radius of 2183.00 feet and a central angle of 34°17'40" (chord bearing N.16°51'10"W., 1287.22 feet); thence N.34°00'00"W., a distance of 316.72 feet; thence Northwesterly, 492.85 feet along the arc of a tangent curve to the right having a radius of 2017.00 feet and a central angle of 14°00'00" (chord bearing N.27°00'00"W., 491.62 feet); thence N.20°00'00"W., a distance of 316.72 feet; thence Northwesterly, 1507.93 feet along the arc of a tangent curve to the left having a radius of 2183.00 feet and a central angle of 39°34'40" (chord bearing N.39°47'20"W., 1478.13 feet); thence N.30°25'20"E., a distance of 41.56 feet; thence S.88°14'07"E., a distance of 55.73 feet; thence N.74°09'53"E., a distance of 55.73 feet; thence N.61°58'16"E., a distance of 20.82 feet; thence N.65°07'00"E., a distance of 407.50 feet; thence N.70°07'11"E., a distance of 53.29 feet; thence N.89°00'00"E., a distance of 52.16 feet; thence S.72°45'00"E., a distance of 45.53 feet; thence S.55°45'00"E., a distance of 45.53 feet; thence S.38°45'00"E., a distance of 45.53 feet; thence S.21°45'00"E., a distance of 45.53 feet; thence S.04°45'00"E., a distance of 45.53 feet; thence S.08°14'46"W., a distance of 49.10 feet; thence S.09°00'00"W., a distance of 100.00 feet; thence S.81°00'00"E., a distance of 121.00 feet; thence N.09°00'00"E., a distance of 46.47 feet; thence S.81°00'00"E., a distance of 187.26 feet; thence N.57°45'00"E., a distance of 575.76 feet; thence Southeasterly, 421.00 feet along the arc of a non-tangent curve to the left having a radius of 540.00 feet and a central angle of 44°40'12" (chord bearing S.55°12'33"E., 410.42 feet); thence N.12°27'21"E., a distance of 80.00 feet; thence Easterly, 550.91 feet along the arc of a non-tangent curve to the right having a radius of 2040.00 feet and a central angle of 15°28'23" (chord bearing S.69°48'28"E., 549.24 feet); thence S.27°55'44"W., a distance of 80.00 feet; thence Southeasterly, 60.27 feet along the arc of a non-tangent curve to the right having a radius of 1960.00 feet and a central angle of 01°45'43" (chord bearing S.61°11'25"E., 60.27 feet); thence S.33°56'00"W., a distance of 70.63 feet; thence S.61°58'32"W., a distance of 56.65 feet; thence S.43°26'00"W., a distance of 50.70 feet; thence S.33°56'00"W., a distance of 52.74 feet; thence S.19°32'00"W., a distance of 50.60 feet; thence S.01°56'00"W., a distance of 55.73 feet; thence S.15°40'00"E., a distance of 55.73 feet; thence S.33°16'00"E., a distance of 64.16 feet; thence S.56°04'00"E., a distance of 72.59 feet; thence S.78°52'00"E., a distance of 64.16 feet; thence N.83°32'00"E., a distance of 55.73 feet; thence N.65°56'00"E., a distance of 55.73 feet; thence N.48°20'00"E., a distance of 50.60 feet; thence N.33°56'00"E., a distance of 52.74 feet; thence N.24°26'00"E., a distance of 50.70 feet; thence S.53°36'05"E., a distance of 20.29 feet; thence S.59°23'00"E., a distance of 57.98 feet; thence S.63°45'00"E., a distance of 57.98 feet; thence S.68°07'00"E., a distance of 57.98 feet; thence S.27°21'56"E., a distance of 36.15 feet; thence S.08°12'45"W., a distance of 50.01 feet; thence S.02°35'00"W., a distance of 65.97 feet; thence S.06°18'26"E., a distance of 75.98 feet; thence S.18°07'34"E., a distance of 75.98 feet; thence S.27°01'00"E., a distance of 65.97 feet; thence S.35°59'00"E., a distance of 65.97 feet; thence S.44°57'00"E., a distance of 65.97 feet; thence S.53°55'00"E., a distance of 65.97 feet; thence S.62°53'00"E., a distance of 65.97 feet; thence S.71°51'00"E., a distance of 65.97 feet; thence S.80°49'00"E., a distance of 65.97 feet; thence N.89°26'27"E., a distance of 77.33 feet; thence N.78°55'33"E., a distance of 77.33 feet; thence N.69°11'00"E., a distance of 65.97 feet; thence S.49°49'19"E., a distance of 73.06 feet; thence Southwesterly, 377.18 feet along the arc of a non-tangent curve to the left having a radius of 1071.00 feet and a central angle of 20°10'41" (chord bearing S.30°05'21"W., 375.23 feet); thence S.20°00'00"W., a distance of 1257.25 feet; thence Southwesterly, 1257.28 feet along the arc of a tangent curve to the right having a radius of 1429.00 feet and a central angle of 50°24'39" (chord bearing S.45°12'19"W., 1217.12 feet); thence S.70°24'39"W., a distance of 93.58 feet; thence Northwesterly, 67.12 feet along the arc of a tangent curve to the right having a radius of 35.00 feet and a central angle of 109°53'01" (chord bearing N.54°38'51"W., 57.30 feet) to the **POINT OF BEGINNING**.

Containing 132.703 acres.

## **APPENDIX C**

### **Forms of Master Trust Indenture and First Supplemental Trust Indenture**

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**MASTER TRUST INDENTURE**

between

**DEL WEBB BEXLEY COMMUNITY DEVELOPMENT DISTRICT**

and

**U.S. BANK NATIONAL ASSOCIATION,  
as Trustee**

Dated as of October 1, 2018

relating to

**DEL WEBB BEXLEY COMMUNITY DEVELOPMENT DISTRICT  
SPECIAL ASSESSMENT BONDS**

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EXHIBIT A – LEGAL DESCRIPTION OF THE DISTRICT

EXHIBIT B – DESCRIPTION OF THE CAPITAL IMPROVEMENT PROGRAM

EXHIBIT C – FORM OF BOND

EXHIBIT D – FORM OF REQUISITION

Credit Facility, from time to time, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the Issuer hereby assigns, transfers, sets over and pledges to the Trustee and grants a lien on all of the right, title and interest of the Issuer in and to the Pledged Revenues (hereinafter defined) as security for the payment of the principal, redemption or purchase price of (as the case may be) and interest on Bonds of a Series issued hereunder and any reimbursement due to any Credit Facility Issuer for any drawing on its Credit Facility issued with respect to any such Bonds, as required under the terms of the corresponding Credit Facility Agreement, all in the manner hereinafter provided, and the Issuer further hereby agrees with and covenants unto the Trustee as follows:

**ARTICLE I  
DEFINITIONS**

In this Master Indenture and any indenture supplemental hereto (except as otherwise expressly provided or unless the context otherwise requires) terms defined in the recitals hereto shall have the same meaning throughout the Indenture, and in addition, the following terms shall have the meanings specified below:

- "Account" shall mean any account established pursuant to the Indenture.
- "Acquisition Agreement" shall mean one or more acquisition agreements among the Issuer and the Developer, pursuant to which the Developer agrees to provide, design, construct and sell to the Issuer, and the Issuer agrees to purchase from the Developer, certain work product, plans and improvements comprising all or a portion of the Capital Improvement Program and with respect to a Series of Bonds, as further provided in a Supplemental Indenture.
- "Acquisition and Construction Fund" shall mean the Fund so designated which is established pursuant to Section 5.01 hereof.
- "Act" shall mean the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended from time to time, and any successor statute thereto.
- "Annual Budget" shall mean the Issuer's budget of current operating and maintenance expenses for a Fiscal Year, adopted pursuant to the provisions of Section 9.20 of this Master Indenture, as the same may be amended from time to time.
- "Authenticating Agent," shall mean the agent so described in, and appointed pursuant to, Section 2.03 hereof.
- "Authorized Denomination" shall, except as provided in any Supplemental Indenture relating to a Series of Bonds, mean the denomination of \$5,000 or any integral multiple thereof.
- "Authorized Newspaper" shall mean a newspaper printed in English and customarily published at least once a day at least five days a week and generally circulated in New York, New York, or Pasco County, Florida, or such other locations as the Issuer from time to time may

THIS MASTER TRUST INDENTURE, dated as of October 1, 2018 (the "Master Indenture"), by and between the DEL WEBB BEXLEY COMMUNITY DEVELOPMENT DISTRICT (the "Issuer"), a local unit of special-purpose government organized and existing under the laws of the State of Florida, and U.S. BANK NATIONAL ASSOCIATION, a national banking association, as trustee, authorized to accept and execute trusts of the character herein set out and having a corporate trust office in Orlando, Florida (said corporation and any bank or trust company becoming successor trustee under the Indenture (as defined herein) being hereinafter referred to as the "Trustee");

**WITNESSETH:**

**WHEREAS**, the Issuer is a local unit of special purpose government duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), by Ordinance No. 17-39 enacted by the Board of County Commissioners of Pasco County, Florida (the "County") on October 24, 2017, with an effective date of October 30, 2017, for the purpose, among other things, of financing and managing the design, acquisition, construction, maintenance, and operation of systems, facilities and basic infrastructure within and without the boundaries of the premises to be governed by the Issuer; and

**WHEREAS**, the premises governed by the Issuer (as further described in **Exhibit A** hereto, the "District Lands") consist of approximately 428.934 acres of land located entirely within the County; and

**WHEREAS**, the Issuer has determined to undertake, in one or more stages, the acquisition and construction of certain public infrastructure pursuant to the Act for the special benefit of the District Lands (as further described in **Exhibit B** hereto, the "Capital Improvement Program"); and

**WHEREAS**, the Issuer proposes to finance or refinance the cost of acquisition and construction of the Capital Improvement Program by the issuance of one or more series of bonds pursuant to this Master Indenture;

**NOW, THEREFORE, THIS MASTER INDENTURE WITNESSETH**, that to provide for the issuance of Bonds (hereinafter defined) under this Master Indenture, as supplemented from time to time by one or more Supplemental Indentures (hereinafter defined), the security and payment of the principal, redemption or purchase price thereof (as the case may be) and interest thereon, any reimbursement due to a Credit Facility Issuer (hereinafter defined), if any, for any drawing on its Credit Facility (hereinafter defined), as required under the terms of the corresponding Credit Facility Agreement (hereinafter defined), the rights of the Owners of the Bonds of a Series (hereinafter defined) and the performance and observance of all of the covenants contained herein and in said Bonds and in any Credit Facility Agreement for and in consideration of the mutual covenants herein contained and of the purchase and acceptance of the Bonds of a Series by the Owners thereof, from time to time, the issuance by any Credit Facility Issuer of its

determine by written notice provided to the Trustee. When successive publications in an Authorized Newspaper are required, they may be made in the same or different Authorized Newspapers.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes. The Trustee is authorized to recognize the Beneficial Owners of a Series of Bonds for purposes of approvals, consents or other actions taken under the Indenture if beneficial ownership is proven to the satisfaction of the Trustee.

"Board" shall mean the board of supervisors of the Issuer.

"Bond Counsel" shall mean Counsel of nationally recognized standing in matters pertaining to the exclusion from gross income for federal income tax purposes of interest on obligations issued by states and their political subdivisions.

"Bondholder," "Holder of Bonds," "Holder," "Bondowner" or "Owner" or any similar term shall mean any Person or Persons who shall be the registered owner of any Outstanding Bond or Bonds, as evidenced on the Bond Register of the Issuer kept by the Registrar.

"Bond Redemption Fund" shall mean the Fund so designated which is established pursuant to Section 6.06 hereof.

"Bond Register" shall have the meaning specified in Section 2.04 of this Master Indenture.

"Bonds" shall mean the Del Webb Bexley Community Development District (Pasco County, Florida) Special Assessment Bonds, Series [to be designated] issued in one or more Series and delivered pursuant to the provisions of this Master Indenture and Bonds subsequently issued to refund all or a portion of the Bonds.

"Business Day" shall mean any day other than a Saturday, a Sunday, a legal holiday, or a day on which the corporate office of the Trustee, the Registrar or any Paying Agent is closed, or a day on which the New York stock exchange is closed.

"Certified Public Accountant" shall mean a Person, who shall be Independent, appointed by the Board, actively engaged in the business of public accounting and duly certified as a certified public accountant under the laws of the State.

"Certified Resolution" or "Certified Resolution of the Issuer" shall mean a copy of one or more resolutions certified by the Secretary or an Assistant Secretary of the Issuer, under its seal, to have been duly adopted by the Board and to be in full force and effect as of the date of such certification.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

"Completion Date" shall have the meaning given to such term in Section 5.01(c) of this Master Indenture.

"Consultant" shall mean a Person, who shall be Independent, appointed by the Board, qualified to pass upon questions relating to municipal entities and having a favorable reputation for skill and experience in the financial affairs of municipal entities.

"Consultant's Certificate" shall mean a certificate or a report prepared in accordance with then applicable professional standards duly executed by a Consultant.

"Consulting Engineer" shall mean the Independent engineer or engineering firm or corporation at the time employed by the Issuer under the provisions of Section 9.21 of this Master Indenture to perform and carry out duties imposed on the Consulting Engineer by the Indenture. The Independent engineer or engineering firm or corporation at the time serving as the engineer to the Issuer may serve as Consulting Engineer under the Indenture.

"Continuing Disclosure Agreement" shall mean a Continuing Disclosure Agreement, by and among the Issuer, the Developer and any dissemination agent named therein in connection with the issuance of a Series of Bonds hereunder, pursuant to the requirements of the Rule.

"Cost" or "Costs," in connection with the Project or any portion thereof, shall mean all expenses which are properly chargeable thereto under Generally Accepted Governmental Accounting Principles or which are incidental to the planning, financing, acquisition, construction, reconstruction, equipping and installation thereof, including, without limiting the generality of the foregoing:

- (a) expenses of determining the feasibility or practicability of acquisition, construction, or reconstruction;
- (b) cost of surveys, estimates, plans, and specifications;
- (c) cost of construction/performance bonds, construction permits and platting;
- (d) cost of improvements;
- (e) engineering, architectural, fiscal, legal, accounting and other professional and advisory expenses and charges;
- (f) cost of all labor, materials, machinery, and equipment (including, without limitation, (i) amounts payable to contractors, builders and materialmen and costs incident to the award of contracts and (ii) the cost of labor, facilities and services furnished by the Issuer and its

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- (w) costs of effecting compliance with any and all governmental permits relating to a Project;
- (x) such other expenses as may be necessary or incidental to the acquisition, construction, or reconstruction of a Project or to the financing thereof; and
- (y) any other "cost" or expense as provided by the Act.

In connection with the refunding or redeeming of any Bonds, "Cost" includes, without limiting the generality of the foregoing, the items listed in (d), (k), (l) and (m) above, and other expenses related to the redemption of the Bonds to be redeemed and the Redemption Price of such Bonds (and the accrued interest payable on redemption to the extent not otherwise provided for). Whenever Costs are required to be itemized, such itemization shall, to the extent practicable, correspond with the items listed above. Whenever Costs are to be paid hereunder, such payment may be made by way of reimbursement to the Issuer or any other Person who has paid the same in addition to direct payment of Costs.

"Counsel" shall mean an attorney-at-law or law firm (who may be counsel for the Issuer) with expertise in the related matter.

"County" shall mean Pasco County, Florida.

"Credit Facility" shall mean any credit enhancement mechanism such as an irrevocable letter of credit, a surety bond, a policy of municipal bond insurance, a corporate or other guaranty, a purchase agreement, a credit agreement or deficiency agreement or other similar facility applicable to the Bonds, as established pursuant to a Supplemental Indenture, pursuant to which the entity providing such facility agrees to provide funds to make payment of the principal of and interest on the Bonds. Notwithstanding anything to the contrary contained in the Indenture, the Bonds may be issued without a Credit Facility; the decision to provide a Credit Facility in respect of any Bonds shall be within the absolute discretion of the Issuer.

"Credit Facility Agreement" shall mean any agreement pursuant to which a Credit Facility Issuer issues a Credit Facility.

"Credit Facility Issuer" shall mean the issuer or guarantor of any Credit Facility.

"Debt Service Fund" shall mean the Fund so designated which is established pursuant to Section 6.04 hereof.

"Debt Service Requirements," with reference to a specified period, shall mean:

- (a) interest payable on the Bonds during such period, subject to reduction for amounts held as capitalized interest in the Funds and Accounts established under the Indenture; and

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employees, materials and supplies purchased by the Issuer and permits and licenses obtained by the Issuer);

- (g) cost of all lands, properties, rights, easements, and franchises acquired;
- (h) financing charges;
- (i) creation of initial reserve and debt service funds;
- (j) working capital;
- (k) interest charges incurred or estimated to be incurred on money borrowed prior to and during construction and acquisition and for such reasonable period of time after completion of construction or acquisition as the Board may determine;
- (l) the cost of issuance of Bonds, including, without limitation, advertisements and printing;
- (m) the cost of any election held pursuant to the Act and all other expenses of issuance of bonds;
- (n) the discount, if any, on the sale or exchange of Bonds;
- (o) amounts required to repay temporary or bond anticipation loans made to finance any costs permitted under the Act;
- (p) costs of prior improvements performed by the Issuer in anticipation of a Project;
- (q) costs incurred to enforce remedies against contractors, subcontractors, any provider of labor, material, services, or any other Person, for a default or breach under the corresponding contract, or in connection with any other dispute;
- (r) premiums for contract bonds and insurance during construction and costs on account of personal injuries and property damage in the course of construction and insurance against the same;
- (s) payments, contributions, dedications, surety bonds, deposits and any other exactions required as a condition to receive any government approval or permit necessary to accomplish any Issuer purpose;
- (t) administrative expenses;
- (u) taxes, assessments and similar governmental charges during construction or reconstruction of a Project;
- (v) expenses of Project management and supervision;

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- (b) amounts required to be paid into any mandatory sinking fund account with respect to the Bonds during such period; and
- (c) amounts required to pay the principal of the Bonds maturing during such period and not to be redeemed prior to or at maturity through any sinking fund account.

"Debt Service Reserve Fund" shall mean the Fund so designated which is established pursuant to Section 6.05 hereof.

"Debt Service Reserve Insurance Policy" shall mean the insurance policy, surety bond or other evidence of insurance, if any, deposited to the credit of the Debt Service Reserve Fund or any account thereof in lieu of or in partial substitution for cash or securities on deposit therein, which policy, bond or the evidence of insurance constitutes an unconditional senior obligation of the issuer thereof. The issuer thereof shall be a municipal bond insurer whose obligations ranking pari passu with its obligations under such policy, bond or other evidence of insurance are rated at the time of deposit of such policy, bond or other evidence of insurance to the credit of the Debt Service Reserve Fund or any account thereof in the one of the three highest rating categories of either Moody's or S&P, unless otherwise approved by the Credit Facility Issuer who has issued a municipal bond insurance policy with respect to the Bonds.

"Debt Service Reserve Letter of Credit" shall mean the irrevocable, transferable letter or line of credit, if any, deposited for the credit of the Debt Service Reserve Fund or any account thereof in lieu of or in partial substitution for cash or securities on deposit therein, which letter or line of credit constitutes an unconditional senior obligation of the issuer thereof. The issuer of such letter or line of credit shall be a banking association, bank or trust company or branch thereof whose senior debt obligations ranking pari passu with its obligations under such letter or line of credit are rated at the time of deposit of the letter or line of credit to the credit of the Debt Service Reserve Fund or any account thereof in one of the three highest rating categories of either Moody's or S&P, unless otherwise approved by the Credit Facility Issuer who has issued a municipal bond insurance policy with respect to the Bonds.

"Debt Service Reserve Requirement" shall mean, for each Series of Bonds, unless a different requirement shall be specified in a Supplemental Indenture, an amount equal to the lesser of (i) the maximum annual Debt Service Requirements for the Outstanding Bonds of such Series, (ii) 125% of the average annual Debt Service Requirements for the Outstanding Bonds of such Series, and (iii) 10% of the original proceeds (within the meaning of the Code) of the Bonds of such Series.

"Defeasance Securities" shall mean, to the extent permitted by law, (a) cash or (b) non-callable Government Obligations.

"Deferred Costs" shall mean the amount advanced by the Developer and deposited into the appropriate Account of the Acquisition and Construction Fund, and with respect to an Acquisition Agreement or the amount by which the Cost of the Capital Improvement Program or portion thereof to be conveyed by the Developer to the Issuer pursuant to such Acquisition

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Agreement exceeds the amount actually paid by the Issuer for the Capital Improvement Program or portion thereof from proceeds of the applicable Series of Bonds, the repayment of such costs being subordinate to the Bonds issued and Outstanding under the Indenture and payable, if ever, solely as provided herein and in the applicable Supplemental Indenture. The Trustee may conclusively rely on specific written instructions set forth in the applicable Supplemental Indenture or certifications set forth in a requisition delivered to it with respect to the existence of any Deferred Costs to be paid and the amount to be paid. In all other respects, the Trustee, absent specific written notice from the Issuer or the District Manager, is authorized to assume that no Deferred Costs exist.

"Developer" shall mean NNP-Bexley, LLC, a Florida limited liability company, and any affiliate or any entity which succeeds to all or any part of the respective interests and assumes any or all of the respective responsibilities of said entities, as the developers of the District Lands.

"District Lands" shall mean the premises governed by the Issuer, currently consisting of approximately 428,934 acres of land located entirely within the County, as more fully described in Exhibit A.

"District Manager" shall mean the then District Manager or acting District Manager of the Issuer.

"Electronic Means" or "electronic means" shall mean telecopy, facsimile transmission, email transmission or other similar electronic means of communicating providing evidence of transmission.

"Event of Default" shall mean any of the events described in Section 10.02 hereof.

"Fiscal Year" shall mean the period of twelve (12) months beginning October 1 of each calendar year and ending on September 30 of the following calendar year, and also shall mean the period from actual execution hereof to and including the next succeeding September 30; or such other consecutive twelve-month period as may hereafter be established pursuant to a Certified Resolution as the fiscal year of the Issuer for budgeting and accounting purposes as authorized by law.

"Fitch" shall mean Fitch Ratings, Inc.

"Fund" shall mean any fund established pursuant to this Master Indenture.

"Generally Accepted Governmental Accounting Principles" shall mean those accounting principles applicable in the preparation of financial statements of governmental entities such as the Issuer.

"Government Obligations" shall mean direct obligations of, or obligations the timely payment of principal of and interest on which are unconditionally guaranteed by, the United States of America.

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(7) repurchase agreements, which will be collateralized at the onset of the repurchase agreement of at least 103% marked to market weekly with collateral with a domestic or foreign bank or corporation (other than life or property casualty insurance company) the long-term debt of which, or, in the case of a financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA" by S&P and "Aa" by Moody's provided that the repurchase agreement shall provide that if during its term the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3," respectively, the provider shall immediately notify the Issuer and the Trustee and the provider shall at its option, within ten calendar days of receipt of publication of such downgrade, either (A) maintain collateral at levels, sufficient to maintain an "AA" rated investment from S&P and an "Aa" rated investment from Moody's, or (B) repurchase all collateral and terminate the repurchase agreement. Further, if the provider's rating by either S&P or Moody's falls below "A-" or "A3," respectively, the provider must notify the Issuer and the Trustee and, at the direction of the Issuer to the Trustee, within ten (10) calendar days, either (1) maintain collateral at levels sufficient to maintain an "AA" rated investment from S&P and an "Aa" rated investment from Moody's, or (2) repurchase all collateral and terminate the repurchase agreement without penalty. In the event the repurchase agreement provider has not satisfied the above conditions within ten (10) calendar days of the date such conditions apply, then the repurchase agreement shall provide that the Trustee shall, upon its knowledge of such failure, withdraw the entire amount invested plus accrued interest within two (2) Business Days. Any repurchase agreement entered into pursuant to this Master Indenture shall contain the following additional provisions:

(i) Failure to maintain the requisite collateral percentage will require the Issuer or the Trustee to liquidate the collateral as provided above;

(ii) The Holder of the collateral, as hereinafter defined, shall have possession of the collateral or the collateral shall have been transferred to the Holder of the collateral, in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

(iii) The repurchase agreement shall state and an opinion of Counsel in form and in substance satisfactory to the Issuer shall be rendered that the Holder of the collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the collateral is in possession);

(iv) The repurchase agreement shall be a "repurchase agreement" as defined in the United States Bankruptcy Code and, if the provider is a domestic bank, a "qualified financial contract" as defined in the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") and such bank is subject to FIRREA;

(v) The repurchase transaction shall be in the form of a written agreement, and such agreement shall require the provider to give written notice to the Trustee of any change in its long-term debt rating;

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"Indenture" shall mean, with respect to any Series of Bonds, this Master Indenture as supplemented by the Supplemental Indenture pursuant to which such Series of Bonds is issued.

"Independent" shall mean a Person who is not a member of the Issuer's Board, an officer or employee of the Issuer or the Developer, or which is not a partnership, corporation or association having a partner, director, officer, member or substantial stockholder who is a member of the Issuer's Board, or an officer or employee of the Issuer; provided, however, that the fact that such Person is retained regularly by or regularly transacts business with the Issuer or the Developer shall not make such Person an employee within the meaning of this definition.

"Interest Account" shall mean the Account so designated, established as a separate account within the Debt Service Fund pursuant to Section 6.04 hereof.

"Interest Payment Date" shall mean each May 1 and November 1 commencing on the date specified in the Supplemental Indenture pursuant to which a Series of Bonds is issued.

"Investment Grade Rating" shall mean either a rating of "BBB-" or higher by S&P or a rating of "Baa3" or higher by Moody's or a rating of "BBB-" or higher by Fitch.

"Investment Securities" shall mean and include any of the following securities;

- (1) Government Obligations;
- (2) obligations of any of the following agencies: Government National Mortgage Association (including participation certificates issued by such Association); FannieMae (including participation certificates issued by such entity); Federal Home Loan Banks; Federal Farm Credit Banks; Tennessee Valley Authority; Farmers Home Administration; Student Loan Marketing Association; Federal Home Loan Mortgage Corporation.
- (3) time deposits, Federal funds or bankers' acceptances (with term to maturity of 270 days or less) of any bank which has an unsecured, uninsured and unguaranteed obligation rated in one of the top two rating categories by both Moody's and S&P;
- (4) commercial paper rated in one of the top two rating categories by both Moody's and S&P;
- (5) obligations of any state of the United States or political subdivision thereof or constituted authority thereof the interest on which is exempt from federal income taxation under Section 103 of the Code and rated in one of the top two rating categories by both Moody's and S&P;
- (6) shares of a diversified open-end management investment company (as defined in the Investment Company Act of 1940) or a regulated investment company (as defined in Section 851(a) of the Code) that is a money market fund that is rated in the highest rating category by Moody's or S&P;

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(vi) The Issuer or its designee shall represent that it has no knowledge of any fraud involved in the repurchase transaction;

(vii) The Issuer and the Trustee shall receive the opinion of Counsel (which opinion shall be addressed to the Issuer and the Trustee and shall be in form and substance satisfactory to the Issuer) that such repurchase agreement complies with the terms of this section and is legal, valid, binding and enforceable upon the provider in accordance with its terms;

(viii) The term of the repurchase agreement shall be no longer than ten years or the remaining term of the Bonds, whichever is earlier;

(ix) The interest with respect to the repurchase transaction shall be payable no less frequently than quarterly;

(x) The repurchase agreement shall provide that the Trustee may withdraw funds without penalty at any time, or from time to time, for any purpose permitted or required under this Master Indenture;

(xi) Any repurchase agreement shall provide that a perfected security interest in such investments is created for the benefit of the Beneficial Owners under the Uniform Commercial Code of Florida, or book-entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. are created for the benefit of the Beneficial Owners; and

(xii) The collateral delivered or transferred to the Issuer, the Trustee, or a third-party acceptable to, and acting solely as agent for, the Trustee (the "Holder of the collateral") shall be delivered and transferred in compliance with applicable state and federal laws (other than by means of entries on provider's books) free and clear of any third-party liens or claims pursuant to a custodial agreement subject to the prior written approval of the Majority Owners and the Trustee. The custodial agreement shall provide that the Trustee must have the rights for disposition or control over the collateral of the repurchase agreement, irrespective of an event of default by the provider of such repurchase agreement.

If such investments are held by a third-party, they shall be held as agent for the benefit of the Trustee as fiduciary for the Beneficial Owners and not as agent for the bank serving as Trustee in its commercial capacity or any other party and shall be segregated from securities owned generally by such third party or bank;

(8) any other investment permitted under Florida law and approved in writing by the Majority Owners of the Bonds secured thereby;

(9) bonds, notes and other debt obligations of any corporation organized under the laws of the United States, any state or organized territory of the United States or the District of

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Columbia, if such obligations are rated in one of the three highest ratings by both Moody's and S&P or in one of the two highest categories by either S&P or Moody's; and

(10) investment agreements with a bank, insurance company or other financial institution, or the subsidiary of a bank, insurance company or other financial institution if the parent guarantees the investment agreement, which bank, insurance company, financial institution or parent has an unsecured, uninsured and unguaranteed obligation (or claims-paying ability) rated in the highest short-term rating category by Moody's, S&P or Fitch (if the term of such agreement does not exceed 365 calendar days), or has an unsecured, uninsured and unguaranteed obligation (or claims paying ability) rated Aa2 or better by Moody's and AA or better by S&P or Fitch, respectively (if the term of such agreement is more than 365 calendar days) or is the lead bank of a parent bank holding company with an uninsured, unsecured and unguaranteed obligation of the aforesaid ratings, provided:

(i) interest is paid on any date interest is due on the Bonds (not more frequently than quarterly) at a fixed rate (subject to adjustments for yield restrictions required by the Code) during the entire term of the agreement;

(ii) moneys invested thereunder may be withdrawn without penalty, premium, or charge upon not more than two Business Days' notice unless otherwise specified in a Supplemental Indenture;

(iii) the same guaranteed interest rate will be paid on any future deposits made to restore the account to its required amount; and

(iv) the Issuer and the Trustee receive an opinion of Counsel that such agreement is an enforceable obligation of such insurance company, bank, financial institution or parent;

(v) in the event of a suspension, withdrawal, or downgrade below Aa3, AA- or AA- by Moody's, S&P or Fitch, respectively, the provider shall notify the Issuer and the Trustee within ten (10) Business Days of such downgrade event and the provider shall at its option, within five (5) Business Days after notice is given to the Trustee, take any of the following actions:

(vi) collateralize the agreement at levels, sufficient to maintain an "AA" rated investment from S&P or Fitch and an "Aa2" from Moody's with a mark to market approach, or

(vii) assign the agreement to another provider, as long as the minimum rating criteria of "AA" rated investment from S&P or Fitch and an "Aa2" from Moody's with a mark to market approach, or

(viii) have the agreement guaranteed by a provider which results in a minimum rating criteria of an "AA" rated investment from S&P or Fitch and an "Aa2" from Moody's with a mark to market approach.

In the event the provider has not satisfied any one of the above conditions within three (3) Business Days of the date such conditions apply, then the agreement shall provide that the Trustee shall be entitled to withdraw the entire amount invested plus accrued interest without penalty or premium.

(11) bonds, notes and other debt obligations of any corporation organized under the laws of the United States, any state or organized territory of the United States or the Issuer of Columbia, if such obligations are rated in one of the three highest ratings by both Moody's and S&P or in one of the two highest categories by either S&P or Moody's;

(12) the Local Government Surplus Funds Trust Fund as described in Florida Statutes, Section 218.405 or the corresponding provisions of subsequent laws provided that such fund is rated at least "AA" by S&P (without regard to gradation) or at least "Aa" by Moody's (without regard to gradation); and

(13) in addition to the deposits described in subsection (3) above in the definition of Investment Securities, time deposits, demand deposits or certificate of deposit of any depository institution or trust company incorporated under the law of the United States of America or any State (or any domestic branch of foreign bank) and subject to supervision and examination by Federal or State depository institution authority (including the Trustee); provided, however, that at the time of the investment, short-term unsecured debt obligations hereof shall have a credit rating in the highest rating category by S&P or Moody's.

Under all circumstances, the Trustee shall be entitled to conclusively rely that any investment directed in writing by an Authorized Officer of the Issuer is permitted under the Indenture and is a legal investment for funds of the Issuer.

"Issuer" shall mean the Del Webb Bexley Community Development District.

"Majority Owners" shall mean the Beneficial Owners of more than fifty percent (50%) of the aggregate principal amount of the Bonds then Outstanding to which such reference is made.

"Major Non-Recurring Expense" shall mean the cost of major replacement or reconstruction of the Capital Improvement Program, or any part thereof, the cost of major repairs, renewals or replacements, the provision of a reserve for the payment of insurance premiums not due on an annual or more frequent basis, and the cost of studies, surveys, estimates and investigations in connection with any of the foregoing.

"Master Indenture" shall mean, this Master Trust Indenture by and between the Issuer and the Trustee, as amended and or supplemented in accordance with the provisions of Article XIII hereof.

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"Moody's" shall mean Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer and acceptable to the Trustee.

"Officers' Certificate" or "Officer's Certificate" shall mean a certificate, duly executed by a Responsible Officer and delivered to the Trustee.

"Outstanding," in connection with a Series of Bonds, shall mean, as of the time in question, all Bonds of such Series authenticated and delivered under the Indenture, except:

(a) all Bonds theretofore cancelled or required to be cancelled under Section 2.07 hereof;

(b) Bonds for the payment, redemption or purchase of which moneys and/or Defeasance Securities, the principal of and interest on which, when due, will provide sufficient moneys to fully pay such Bonds in accordance with Article XIV hereof, shall have been or shall concurrently be deposited with the Trustee; provided that, if such Bonds are being redeemed, the required notice of redemption shall have been given or provision shall have been made therefor, and that if such Bonds are being purchased, there shall be a firm commitment for the purchase and sale thereof; and

(c) Bonds in substitution for which other Bonds have been authenticated and delivered pursuant to Article II hereof.

In determining whether the Holders of a requisite aggregate principal amount of Bonds Outstanding of a Series have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions of the Indenture, Bonds of such Series which are known by the Trustee to be held by or on behalf of the Issuer shall be disregarded for the purpose of any such determination; provided, however, this provision does not affect the right of the Trustee to deal in Bonds as set forth in Section 11.09 hereof.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Paying Agent" shall mean initially, the Trustee, and thereafter any successor thereto appointed in accordance with Section 11.20 of this Master Indenture.

"Person" shall mean any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, governmental body, political subdivision, municipality, municipal authority or any other group or organization of individuals.

"Pledged Revenues" shall mean, unless otherwise provided by Supplemental Indenture with respect to a specific Series of Bonds, with respect to a particular Series of Bonds Outstanding,

(a) all revenues received by the Issuer from Special Assessments levied and collected on all or a portion of the District Lands with respect to such Series of Bonds, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Special Assessments or from the issuance and sale of tax certificates with respect to such Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Indenture expressly allocated to such particular Series of Bonds; provided, however, that Pledged Revenues shall not include (i) any moneys transferred to the Rebate Fund, or investment earnings thereon and (ii) "special assessments" levied and collected by the Issuer under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the Issuer under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Indenture shall not apply to any of the moneys described in the foregoing clauses (i) and (ii) of this provision).

"Project" shall mean, with respect to any Series of Bonds, the portion or portions of the Capital Improvement Program financed or refinanced with such Series of Bonds, all as more specifically described in the Supplemental Indenture relating to such Series of Bonds; provided that the portion or portions of the Capital Improvement Program financed with such Series of Bonds shall specially benefit all of the District Lands on which Special Assessments to secure such Series of Bonds have been levied.

"Property Appraiser" shall mean the property appraiser of the County.

"Property Appraiser and Tax Collector Agreement" shall mean the Property Appraiser and Tax Collector Agreement described in Section 9.04 hereof.

"Rebate Fund" shall mean the Fund, if any, so designated, which is established pursuant to an arbitrage rebate agreement, into which shall be deposited certain moneys in accordance with the provisions of said arbitrage rebate agreement.

"Record Date" shall mean, as the case may be, the applicable Regular or Special Record Date.

"Redemption Price" shall mean the principal amount of any Bond plus the applicable premium, if any, payable upon redemption thereof pursuant to the Indenture.

"Registrar" shall mean initially, the Trustee, which entity shall have the responsibilities set forth in Section 2.04 of this Master Indenture, and thereafter any successor thereto appointed in accordance with Section 11.20 of this Master Indenture.

"Regular Record Date" shall mean the fifteenth day (whether or not a Business Day) of the calendar month next preceding each Interest Payment Date.

"Regulatory Body" shall mean and include (a) the United States of America and any department of or corporation, agency or instrumentality heretofore or hereafter created, designated or established by the United States of America, (b) the State, any political subdivision

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thereof and any department of or corporation, agency or instrumentality heretofore or hereafter created, designated or established by the State, (c) the County and any department of or corporation, agency or instrumentality heretofore or hereafter created, designated or established by the County, and (d) any other public body, whether federal, state or local or otherwise having regulatory jurisdiction and authority over the Issuer.

"Responsible Officer" shall mean any member of the Board or any other officer of the Issuer or other person designated by Certified Resolution of the Issuer, a copy of which shall be on file with the Trustee, to act for any of the foregoing, either generally or with respect to the execution of any particular document or other specific matter.

"Revenue Fund" shall mean the Fund so designated which is established pursuant to Section 6.03 hereof.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"S&P" shall mean Standard & Poor's, a Standard & Poor's Financial Services LLC business, organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer and acceptable to the Trustee.

"Series" shall mean all of the Bonds authenticated and delivered at one time on original issuance and pursuant to any Certified Resolution of the Issuer authorizing such Bonds as a separate Series of Bonds, or any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article II hereof and the applicable Supplemental Indenture, regardless of variations in maturity, interest rate or other provisions; provided, however, two or more Series of Bonds may be issued simultaneously under the same Supplemental Indenture if designated as separate Series of Bonds by the Issuer upon original issuance. Two or more Series or sub-Series of Bonds may be issued simultaneously under separate Supplemental Indentures, but under this Master Indenture. As may be provided by subsequent proceedings of the Issuer, one or more Series of Bonds or sub-Series of Bonds, whether issued at the same time or not, may be separately secured by Special Assessments imposed pursuant to separate assessment proceedings. Such Bonds or sub-Series of Bonds which are secured by separate Special Assessments will not be issued as parity bonds even if issued at the same time.

"Sinking Fund Account" shall mean the Account so designated, established as a separate account within the Debt Service Fund pursuant to Section 6.04 hereof.

"Sinking Fund Installments" shall mean the money required to be deposited in the Sinking Fund Account for the purpose of the mandatory redemption of any term Bonds issued pursuant to the Indenture, the specific amounts and times of such deposits to be as set forth in Section 8.01(c) hereof and the applicable Supplemental Indenture.

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## ARTICLE II THE BONDS

**SECTION 2.01. AMOUNTS AND TERMS OF BONDS; DETAILS OF BONDS.** The Issuer is hereby authorized to issue in one or more Series pursuant to the terms and conditions of this Master Indenture, its obligations to be known as "Del Webb Bexley Community Development District Special Assessment Bonds, Series [to be designated]" (the "Bonds"). The total principal amount of Bonds that may be issued under this Master Indenture is expressly limited to \$35,000,000 exclusive of any refunding bonds. The Bonds shall be issued in Authorized Denominations and within each Series shall be numbered consecutively from R-1 and upwards in each Series and in substantially the form attached hereto as **Exhibit C**, with such appropriate variations, omissions and insertions as are permitted or required by this Master Indenture or as otherwise provided in a Supplemental Indenture. All Bonds shall be issued only upon satisfaction of the conditions set forth in Article III hereof; and the Trustee shall, at the Issuer's written request, authenticate such Bonds and deliver them as specified in such request.

Each Bond shall be dated, shall have such Interest Payment Dates, shall bear interest from such date or dates and at such rate or rates until the maturity thereof, payable on such Interest Payment Dates, and shall be stated to mature (subject to the right of prior redemption), all as provided in, or pursuant to, a Supplemental Indenture.

Both the principal of and the interest on the Bonds shall be payable in any coin or currency of the United States of America which is legal tender on the respective dates of payment thereof for the payment of public and private debts. Unless otherwise provided in Section 2.11 hereof or in a Supplemental Indenture, the principal of all Bonds shall be payable at the designated corporate trust office of the Paying Agent upon the presentation and surrender of such Bonds as the same shall become due and payable.

Except to the extent otherwise provided in Section 2.11 hereof or in a Supplemental Indenture, interest on any Bond is payable on any Interest Payment Date by check or draft mailed on the Interest Payment Date to the person in whose name that Bond is registered at the close of business on the Regular Record Date for such Interest Payment Date, at his address as it appears on the Bond Register. The Bonds shall bear interest from the Interest Payment Date next preceding the date on which they are authenticated unless authenticated on an Interest Payment Date in which event they shall bear interest from such Interest Payment Date, or unless authenticated before the first Interest Payment Date in which event they shall bear interest from their date; provided, however, that if a Bond is authenticated between a Record Date and the next succeeding Interest Payment Date, such Bond shall bear interest from such succeeding Interest Payment Date; provided further, however, that if at the time of authentication of any Bond interest thereon is in default, such Bond shall bear interest from the date to which interest has been paid. Any interest on any Bond which is payable, but is not punctually paid or provided for on any Interest Payment Date (hereinafter called "Defaulted Interest") shall be paid to the Owner in whose name the Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be not more than fifteen (15) nor less than ten (10) days prior

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"Special Assessments" shall mean (a) the net proceeds derived from the levy and collection of "special assessments," as provided for in Sections 190.011(14) and 190.022 of the Act (except for any such special assessments levied and collected for maintenance purposes), against the District Lands that are subject to assessment as a result of a particular Project or any portion thereof, and (b) the net proceeds derived from the levy and collection of "benefit special assessments," as provided for in Section 190.021(2) of the Act, against the District Lands that are subject to assessment as a result of a particular Project or any portion thereof, and in the case of both "special assessments" and "benefit special assessments," including the interest and penalties on such assessments, pursuant to all applicable provisions of the Act and Chapter 170, Florida Statutes, and Chapter 197, Florida Statutes (and any successor statutes thereto), including, without limitation, any amount received from any foreclosure proceeding for the enforcement of collection of such assessments or from the issuance and sale of tax certificates with respect to such assessments, less (to the extent applicable) the fees and costs of collection thereof payable to the Tax Collector and less certain administrative costs payable to the Property Appraiser pursuant to the Property Appraiser and Tax Collector Agreement. "Special Assessments" shall not include "maintenance special assessments" levied and collected by the Issuer under Section 190.021(3) of the Act.

"Special Record Date" shall mean such date as shall be fixed for the payment of defaulted interest on the Bonds in accordance with Section 2.01 hereof.

"State" shall mean the State of Florida.

"Supplemental Indenture" and "indenture supplemental hereto" shall mean any indenture amending or supplementing this Master Indenture which may be entered into in accordance with the provisions of this Master Indenture.

"Tax Collector" shall mean the tax collector of the County.

The words "hereof," "herein," "hereto," "hereby," and "hereunder" (except in the form of Bond), refer to the entire Master Indenture.

Every "request," "requisition," "order," "demand," "application," "notice," "statement," "certificate," "consent," or similar action hereunder by the Issuer shall, unless the form or execution thereof is otherwise specifically provided, be in writing signed by the Chair or a Vice Chair and the Treasurer or Assistant Treasurer or the Secretary or Assistant Secretary or Responsible Officer of the Issuer.

All words and terms importing the singular number shall, where the context requires, import the plural number and vice versa.

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to the date of proposed payment. The Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be given by Electronic Means or mailed, first-class, postage-prepaid, to each Owner of record as of the fifth (5th) day prior to giving such notices, at his address as it appears in the Bond Register not less than ten (10) days prior to such Special Record Date. The foregoing notwithstanding, but subject to the provisions of Section 2.11 hereof, any Owner of Bonds of a Series in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Trustee and Paying Agent, upon requesting the same in a writing received by the Trustee and Paying Agent at least fifteen (15) days prior to the relevant Record Date, which writing shall specify the bank, which shall be a bank within the continental United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Trustee and Paying Agent, and any such rescission or change of wire transfer instructions must be received by the Trustee and Paying Agent at least fifteen (15) days prior to the relevant Record Date. Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months. Interest on overdue principal and, to the extent lawful, on overdue interest will be payable at the numerical rate of interest borne by such Bonds on the day before the default occurred.

The Trustee is hereby constituted and appointed as Paying Agent for the Bonds.

**SECTION 2.02. EXECUTION.** The Bonds shall be executed by the manual or facsimile signature of the Chair or Vice Chair of the Issuer, and the corporate seal of the Issuer shall appear thereon (which may be in facsimile) and shall be attested by the manual or facsimile signature of its Secretary or Assistant Secretary. Bonds executed as above provided may be issued and shall, upon written request of the Issuer, be authenticated by the Trustee, notwithstanding that one or both of the officers of the Issuer whose signatures appear on such Bonds shall have ceased to hold office at the time of issuance or authentication or shall not have held office at the date of the Bonds.

**SECTION 2.03. AUTHENTICATION; AUTHENTICATING AGENT.** No Bond shall be valid until the certificate of authentication shall have been duly executed by the Trustee, as Authenticating Agent, and such authentication shall be proof that the Bondholder is entitled to the benefit of the trust hereby created. The Trustee shall at all times serve as Authenticating Agent and shall be authorized to authenticate the Bonds.

**SECTION 2.04. REGISTRATION AND REGISTRAR.** The Trustee is hereby constituted and appointed as the Registrar for the Bonds. The Registrar shall act as registrar and transfer agent for the Bonds. The Issuer shall cause to be kept at an office of the Registrar a register (herein sometimes referred to as the "Bond Register" or "Register") in which, subject to the provisions set forth in Section 2.08 below and such other regulations as the Issuer and Registrar may prescribe, the Issuer shall provide for the registration of the Bonds and for the registration of transfers and exchanges of such Bonds. The Trustee shall notify the Issuer in writing of the specific office location (which may be changed from time to time, upon similar notification) at

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which the Bond Register is kept. Initially, and until the Trustee provides notice as provided in the immediately preceding sentence, the Bond Register shall be kept at the Trustee's designated corporate trust office in Orlando, Florida.

**SECTION 2.05. MUTILATED, DESTROYED, LOST OR STOLEN BONDS.** If any Bond shall become mutilated, the Issuer shall execute and the Trustee or Authenticating Agent, as the case may be, shall thereupon authenticate and deliver a new Bond of like Series, tenor and denomination in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee or Authenticating Agent, as the case may be, of such mutilated Bond for cancellation, and the Issuer and the Trustee or Authenticating Agent, as the case may be, may require reasonable indemnity therefor. If any Bond shall be reported lost, stolen or destroyed, evidence as to the ownership and the loss, theft or destruction thereof shall be submitted to the Issuer and the Trustee or Authenticating Agent, as the case may be; and if such evidence shall be satisfactory to both and indemnity satisfactory to both shall be given, the Issuer shall execute, and thereupon the Trustee or Authenticating Agent, as the case may be, shall authenticate and deliver a new Bond of like Series, tenor and denomination. The cost of providing any substitute Bond under the provisions of this Section shall be borne by the Bondholder for whose benefit such substitute Bond is provided. If any such mutilated, lost, stolen or destroyed Bond shall have matured or be about to mature, the Issuer may, with the consent of the Trustee or Authenticating Agent, as the case may be, pay to the Owner the principal amount of and accrued interest on such Bond upon the maturity thereof and compliance with the aforesaid conditions by such Owner, without the issuance of a substitute Bond therefor.

Every substituted Bond issued pursuant to this Section 2.05 shall constitute an additional contractual obligation of the Issuer, whether or not the Bond alleged to have been destroyed, lost or stolen shall be at any time enforceable by anyone, and shall be entitled to all the benefits of the Indenture equally and proportionately with any and all other Bonds of such same series duly issued hereunder.

All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude any and all other rights or remedies with respect to the replacement or payment of negotiable instruments, investments or other securities without their surrender.

**SECTION 2.06. TEMPORARY BONDS.** Pending preparation of definitive Bonds, or by agreement with the original purchasers of all Bonds, the Issuer may issue and, upon its written request, the Trustee shall authenticate in lieu of definitive Bonds one or more temporary printed or typewritten Bonds of substantially the tenor recited above. Upon written request of the Issuer, the Trustee shall authenticate definitive Bonds in exchange for and upon surrender of an equal principal amount of temporary Bonds. Until so exchanged, temporary Bonds shall have the same rights, remedies and security hereunder as definitive Bonds. So long as Cede & Co., or any other nominee of DTC is the registered Owner of the Bonds, the definitive Bonds shall be in typewritten form.

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and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Issuer, the Trustee, any Paying Agent, the Registrar or the Authenticating Agent for the purpose of receiving payment of or on account of the principal or Redemption Price of and interest on such Bond, and for all other purposes, and the Issuer, the Trustee, any Paying Agent, the Registrar and the Authenticating Agent shall not be affected by any notice to the contrary. All such payments so made to any such Owner, or upon his order, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon any such Bond.

**SECTION 2.10. LIMITATION ON INCURRENCE OF CERTAIN INDEBTEDNESS.** The Issuer will not issue Bonds, except upon the conditions and in the manner provided or as otherwise permitted in the Indenture, provided that the Issuer may enter into agreements with issuers of Credit Facilities which involve liens on Pledged Revenues on a parity with that of the Bonds or portion thereof which is supported by such Credit Facilities.

**SECTION 2.11. QUALIFICATION FOR THE DEPOSITORY TRUST COMPANY.** To the extent provided in a Supplemental Indenture or authorized and directed by a Resolution of the Issuer authorizing the issuance of a Series of Bonds, the Trustee shall be authorized to enter into agreements with The Depository Trust Company, New York, New York ("DTC") and other depository trust companies, including, but not limited to, agreements necessary for wire transfers of interest and principal payments with respect to the Bonds, utilization of electronic book entry data received from DTC, and other depository trust companies in place of actual delivery of Bonds and provision of notices with respect to Bonds registered by DTC and other depository trust companies (or any of their designees identified to the Trustee in writing) by overnight delivery, courier service, telegram, teletype or other similar means of communication.

So long as there shall be maintained a book-entry-only system with respect to a Series of Bonds, the following provisions shall apply:

Unless otherwise provided in a Supplemental Indenture, each Series of Bonds shall initially be registered in the name of Cede & Co. as nominee for DTC, which will act initially as securities depository for the Bonds and so long as the Bonds are held in book-entry-only form, Cede & Co. shall be considered the registered owner for all purposes hereof. On original issue, the Bonds shall be deposited with DTC, which shall be responsible for maintaining a book-entry-only system for recording the ownership interest of its participants ("DTC Participants") and other institutions that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly ("Indirect Participants"). The DTC Participants and Indirect Participants will be responsible for maintaining records with respect to the Beneficial Owners.

Principal and interest on the Bonds registered in the name of Cede & Co. prior to and at maturity shall be payable directly to Cede & Co. in care of DTC without the need for presentment of such Bonds. Disbursal of such amounts to DTC Participants shall be the responsibility of DTC. Payments by DTC Participants to Indirect Participants, and by DTC Participants and Indirect

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**SECTION 2.07. CANCELLATION AND DESTRUCTION OF SURRENDERED BONDS.** All Bonds surrendered for payment or redemption and all Bonds surrendered for exchange shall, at the time of such payment, redemption or exchange, be promptly transferred by the Registrar, Paying Agent or Authenticating Agent to, and cancelled and destroyed by, the Trustee in accordance with its retention policy then in effect. The Trustee shall deliver to the Issuer a certificate of destruction in respect of all Bonds destroyed in accordance with this Section.

**SECTION 2.08. REGISTRATION, TRANSFER AND EXCHANGE.** As provided in Section 2.04 hereof, the Issuer shall cause a Bond Register in respect of the Bonds to be kept at the designated office of the Registrar.

Upon surrender for registration of transfer of any Bond at the designated office of the Registrar, and upon compliance with the conditions for the transfer of Bonds set forth in this Section 2.08, the Issuer shall execute and the Trustee, as Registrar and Authenticating Agent, shall authenticate and deliver, in the name of the designated transferees, one or more new Bonds of a like aggregate principal amount and of the same Series and maturity.

At the option of the Bondholder, Bonds may be exchanged for other Bonds of a like aggregate principal amount and of the same Series and maturity, upon surrender of the Bonds to be exchanged at any such office of the Registrar. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute and the Trustee, as Registrar and Authenticating Agent shall authenticate and deliver the Bonds which the Bondholder making the exchange is entitled to receive.

All Bonds issued upon any transfer or exchange of Bonds shall be valid obligations of the Issuer, evidencing the same debt and entitled to the same benefits under the Indenture as the Bonds of such same Series surrendered upon such transfer or exchange.

Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee, Paying Agent or the Registrar, duly executed by the Bondholder or his attorney duly authorized in writing.

Transfers and exchanges shall be made without charge to the Bondholder, except that the Issuer or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

Neither the Issuer nor the Registrar on behalf of the Issuer shall be required (i) to issue, transfer or exchange any Bond during a period beginning at the opening of business fifteen (15) days before the day of giving a notice of redemption of Bonds selected for redemption and ending at the close of business on the day of giving such notice, or (ii) to transfer or exchange any Bond so selected for redemption in whole or in part.

**SECTION 2.09. PERSONS DEEMED OWNERS.** The Issuer, the Trustee, any Paying Agent, the Registrar, or the Authenticating Agent shall deem and treat the person in whose name any Bond is registered as the absolute Owner thereof (whether or not such Bond shall be overdue

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Participants to Beneficial Owners shall be the responsibility of DTC Participants and Indirect Participants and not of DTC, the Trustee or the Issuer.

The Bonds registered in the name of Cede & Co. shall initially be issued in the form of one fully registered Bond for each maturity of each Series registered in the name of Cede & Co. and shall be held in such form until maturity. Individuals may purchase beneficial interests in Authorized Denominations in book-entry-only form, without certificated Bonds, through DTC Participants and Indirect Participants.

DURING THE PERIOD FOR WHICH CEDE & CO. IS REGISTERED OWNER OF THE BONDS, ANY NOTICES TO BE PROVIDED TO ANY REGISTERED OWNER WILL BE PROVIDED TO CEDE & CO. DTC SHALL BE RESPONSIBLE FOR NOTICES TO DTC PARTICIPANTS AND DTC PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICES TO INDIRECT PARTICIPANTS, AND DTC PARTICIPANTS AND INDIRECT PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICES TO BENEFICIAL OWNERS.

The Issuer and the Trustee, if appropriate, shall enter into a blanket letter of representations with DTC providing for such book-entry-only system. Such agreement may be terminated at any time by either DTC or the Issuer. In the event of such termination, the Issuer shall select another securities depository and in that event all references to DTC or Cede & Co. shall be deemed to be references to its respective successor. If the Issuer does not replace DTC, the Trustee will register and deliver to the Beneficial Owners replacement Bonds in the form of fully registered Bonds in accordance with the instructions from Cede & Co.

In the event DTC, any successor of DTC or the Issuer elects to discontinue the book-entry only system, the Trustee shall deliver bond certificates in accordance with the instructions from DTC or its successor and after such time Bonds may be exchanged for an equal aggregate principal amount of Bonds in other Authorized Denominations and of the same maturity and Series upon surrender thereof at the designated corporate trust office of the Trustee.

### ARTICLE III ISSUE OF BONDS

**SECTION 3.01. ISSUE OF BONDS.** Subject to the provisions of Section 2.01 hereof, the Issuer may issue one or more Series of Bonds hereunder and under Supplemental Indentures from time to time for the purpose of financing the Cost of acquisition or construction of the Capital Improvement Program or to refund all or a portion of a Series of Bonds (and to pay the costs of the issuance of such Bonds and to pay the amounts required to be deposited with respect to such Bonds in the Funds and Accounts established under the Indenture). In connection with the issuance of a Series of Bonds the Trustee shall, at written request of the Issuer, authenticate the Bonds and deliver or cause them to be authenticated and delivered, as specified in the request, but only upon receipt of:

(1) a Certified Resolution of the Issuer (a) approving a Supplemental Indenture under which the Series of Bonds are to be issued; (b) providing the terms of the Bonds and directing the

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payments to be made into the Funds and Accounts in respect thereof as provided in Article V or Article VI hereof; (c) authorizing the execution and delivery of the Series of Bonds to be issued; and (d) if the purpose is to effectuate a refunding, authorizing the redemption, if any, of the Bonds to be refunded and the defeasance thereof, and the execution and delivery of an escrow agreement, if applicable, and other matters contained in Section XIV hereof;

(2) a written opinion or opinions of Counsel to the Issuer, which shall also be addressed to the Trustee, to the effect that (a) all conditions prescribed herein as precedent to the issuance of the Bonds have been fulfilled; (b) the Bonds have been validly authorized and executed by the Issuer and when authenticated and delivered pursuant to the request of the Issuer will be valid obligations of the Issuer entitled to the benefit of the trust created hereby and will be enforceable in accordance with their terms except as enforcement thereof may be affected by bankruptcy, reorganization, insolvency, moratorium and other similar laws relating to creditors' rights generally and subject to equitable principles, whether in a proceeding at law or in equity; (c) any consents of any Regulatory Bodies required in connection with the issuance of the Bonds or in connection with the acquisition of the improvements included in a Project have been obtained or based on certifications of the Consulting Engineer can be reasonably expected to be obtained on or prior to the date such consents are required for such Project; and (d) if the acquisition of any real property or interest therein is included in the purpose of such issue, and in exchange for the payment of proceeds of the Bonds at the time of the issuance of the Bonds, (i) the Issuer has or can acquire good and marketable title thereto free from all liens and encumbrances except such as will not materially interfere with the proposed use thereof or (ii) the Issuer has or can acquire a valid, subsisting and enforceable leasehold, easement, right-of-way or other interest in real property sufficient to effectuate the purpose of the issue (which opinion may be stated in reliance on the opinion of other Counsel satisfactory to the signer or on a title insurance policy issued by a reputable title company) (clause (c) shall not apply in the case of the issuance of a refunding Series of Bonds);

(3) an opinion of Counsel to the Issuer, which shall also be addressed to the Trustee (for items a, d, e and f only), to the effect that: (a) the Issuer has good right and lawful authority under the Act to undertake the Project, subject to obtaining such licenses, orders or other authorizations as are, at the date of such opinion, required to be obtained from any agency or regulatory body; (b) that the Special Assessment proceedings have been taken in accordance with Florida law and that the Issuer has taken all action necessary to levy and impose the Special Assessments; (c) that the Special Assessments are legal, valid, and binding liens upon the property against which the Special Assessments are made, coequal with the lien of all State, City, County and municipal ad valorem taxes and superior in priority to all other liens, titles and claims against said property then existing or thereafter created, until paid; (d) the related Indenture has been duly and validly authorized, approved, and executed by the Issuer; (e) the issuance of the Series of Bonds has been duly authorized and approved by the Board; and (f) the related Indenture (assuming due authorization, execution and delivery by the Trustee) constitutes a binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms except as enforcement thereof may be affected by bankruptcy, reorganization, insolvency, moratorium and other similar laws relating to creditors' rights generally and subject to equitable principles,

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Bonds are not taxable Bonds, that the interest thereon is excludable from gross income for federal income tax purposes under the income tax laws of the United States in effect on the date such Series of Bonds are delivered to their initial purchasers;

(11) a written direction of the Issuer to the Trustee to authenticate and deliver such Bonds;

(12) a copy of a Final Judgment of Validation and a Certificate of No Appeal with respect to the Bonds that are subject to validation;

(13) in the case of the issuance of a refunding Series of Bonds, an Officer's Certificate stating (a) the intended use of the proceeds of the issue; (b) any other amounts available for such purpose; (c) that the proceeds of the issue plus the other amounts, if any, stated to be available for the purpose will be sufficient to refund the Bonds to be refunded in accordance with the refunding plan and in compliance with Article XIV of this Master Indenture, including, without limitation, to pay the Costs of issuance of such Bonds, and (d) that notice of redemption, if applicable, of the Bonds to be refunded has been duly given or that provision has been made therefor, as applicable;

(14) in the case of the issuance of a refunding Series of Bonds, a written opinion of Bond Counsel to the effect that the issuance of such Bonds will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any Bonds issued pursuant to the Indenture (to the extent that upon original issuance thereof such Bonds were issued as Bonds the interest on which is excludable from gross income for federal income tax purposes); and

(15) such other documents, certifications and opinions as shall be required by the Supplemental Indenture or by the Issuer or the Trustee upon advice of counsel.

At the option of the Issuer, any or all of the matters required to be stated in the Certified Resolution described in (1) above may instead be stated in a Supplemental Indenture, duly approved by a Certified Resolution of the Issuer. Execution of a Series of the Bonds by the Issuer shall be conclusive evidence of satisfaction of conditions precedent set forth in this Article, as to the Issuer and Underwriter.

#### ARTICLE IV ACQUISITION OF PROJECT

**SECTION 4.01. PROJECT TO CONFORM TO PLANS AND SPECIFICATIONS; CHANGES.** The Issuer will proceed to complete any Project or portion thereof for which any Series of Bonds is being issued in accordance with the plans and specifications therefor, as such plans and specifications may be amended from time to time, and subject to the specific requirements of the Supplemental Indenture for such Series of Bonds.

**SECTION 4.02. COMPLIANCE REQUIREMENTS.** The Issuer will comply with all present and future laws, acts, rules, regulations, orders and requirements lawfully made and

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whether in a proceeding at law or in equity (clauses (a), (b) and (c) shall not apply in the case of the issuance of a refunding Series of Bonds);

(4) a Consulting Engineer's certificate addressed to the Issuer and the Trustee setting forth the estimated cost of the Project, and in the case of an acquisition by the Issuer of all or a portion of the Project that has been completed, stating, in the signer's opinion, (a) that the portion of the Project improvements to be acquired from the proceeds of such Bonds have been completed in accordance with the plans and specifications therefor; (b) to the best of his knowledge, the Project improvements are constructed in a sound workmanlike manner and in accordance with industry standards; (c) the purchase price to be paid by the Issuer for the Project improvements is no more than the lesser of (i) the fair market value of such improvements and (ii) the actual Cost of construction of such improvements; and (d) the plans and specifications for the Project improvements have been approved by all Regulatory Bodies required to approve them (specifying such Regulatory Bodies) or such approval can reasonably be expected to be obtained; provided, however, that in lieu of the information required in clause (a), there may be delivered to the Trustee satisfactory evidence of the acceptance of operational and maintenance responsibility of each component of the Project by one or more governmental entities (the foregoing shall not be applicable in the case of the issuance of a refunding Series of Bonds); the Consulting Engineer's certificate may incorporate its engineering report by reference to satisfy all or some of the above requirements;

(5) a Financial Consultant's certificate that (a) the benefit from the Project equals or exceeds the amount of Special Assessments; (b) the Special Assessments are fairly and reasonably allocated across the District Lands subject to the Special Assessments; and (c) the Special Assessments are sufficient to pay the Debt Service Requirements on the Bonds;

(6) a copy of the Supplemental Indenture for such Bonds, certified by the Secretary or Assistant Secretary of the Issuer as being a true and correct copy thereof;

(7) the proceeds of the sale of such Bonds.

(8) any Credit Facility authorized by the Issuer in respect to such Bonds;

(9) one or more Certified Resolutions of the Issuer relating to the levy of Special Assessments in respect of the Project, and evidencing that the Issuer has undertaken and, to the extent then required under applicable law, completed all necessary proceedings, including, without limitation, the approval of assessment rolls, the holding of public hearings, the adoption of resolutions and the establishment of all necessary collection procedures, in order to levy and collect Special Assessments upon the District Lands in an amount sufficient to pay the Debt Service Requirement on the Bonds to be issued (the foregoing shall not be applicable in the case of the issuance of a refunding Series of Bonds);

(10) an opinion of Bond Counsel substantially to the effect that (a) the Series of Bonds are valid and binding limited obligations of the Issuer, (b) the Indenture constitutes a valid and binding obligation of the Issuer, enforceable in accordance with its terms, and (c) if such Series of

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applicable in fact to any acquisition or construction hereby undertaken and shall obtain all necessary approvals under federal, state and local laws, acts, rules and regulations necessary for the completion and operation of any Project or portion thereof for which any Series of Bonds is being issued and shall complete any Project or portion thereof in conformity with such approvals, laws, rules and regulations.

#### ARTICLE V ACQUISITION AND CONSTRUCTION FUND

**SECTION 5.01. ACQUISITION AND CONSTRUCTION FUND.** The Trustee shall establish an Acquisition and Construction Fund into which shall be deposited the proceeds from each Series of Bonds issued under the Indenture (unless otherwise specified herein or in the applicable Supplemental Indenture for a Series of Bonds) and from which Costs may be paid as set forth herein and in the applicable Supplemental Indenture. Unless otherwise specified in the applicable Supplemental Indenture, a separate Series Account shall be established in the Acquisition and Construction Fund with respect to each Series of Bonds issued hereunder and the proceeds of each Series of Bonds (other than Bonds issued to refund all or a portion of the Bonds) shall be deposited into the corresponding Series Account in the Acquisition and Construction Fund. The amounts in any account of the Acquisition and Construction Fund, until applied as hereinafter provided, shall be held for the security of the Series of Bonds hereunder in respect of which such Series Account was established. Separate subaccounts within any Series Account of the Acquisition and Construction Fund shall be maintained by the Trustee in respect of each Series of Bonds upon written request of the Issuer whenever, in the opinion of the Issuer, it is appropriate to have a separate written accounting in respect of the Costs of any designated portion of a Project. Payments shall be made from the appropriate Series Account of the Acquisition and Construction Fund to pay any unpaid costs of issuance of the Series of Bonds in question, including without limitation, legal, engineering, and consultants' fees and to pay amounts to be reimbursed to the Issuer for Costs advanced, and thereafter to pay Costs of planning, financing, acquisition, construction, reconstruction, equipping and installation of the applicable Project or portion thereof.

(a) *Deposits.* In addition to the deposit of amounts received by the Trustee on the date of issuance of each Series of Bonds, the Issuer shall pay or cause to be paid to the Trustee, for deposit into the Series Account of the Acquisition and Construction Fund, as promptly as practicable, the following amounts:

(i) Subject to Section 9.24 hereof, payments made to the Issuer from the sale, lease or other disposition of the Project or any portion thereof; and

(ii) Subject to Section 9.14 hereof, the balance of insurance proceeds with respect to the loss or destruction of the Project or any portion thereof.

Amounts in the Series Account of the Acquisition and Construction Fund shall be applied to pay the Cost of a Project or a portion thereof, as applicable, pertaining to the Series of Bonds in

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question; provided, however, that if any amounts remain in the Series Account of the Acquisition and Construction Fund after the Completion Date of the Project or portion thereof pertaining to the Series of Bonds in question, and if such amounts are not reserved for payment of any remaining part of the Cost of such Project or the payment of Deferred Costs, such amounts shall be transferred to the applicable Series Account of the Bond Redemption Fund for application to the redemption of Bonds of the Series to which such proceeds relate, as set forth in Section 6.06 hereof or in the applicable Supplemental Indenture.

(b) *Disbursements.* All payments from the Acquisition and Construction Fund shall be paid in accordance with the provisions of this subsection. Moneys in the Acquisition and Construction Fund shall be disbursed by check, voucher, order, draft, certificate or warrant signed by any one or more officers or employees of the Trustee legally authorized to sign such items or by wire transfer to an account specified by the payee upon satisfaction of the conditions for disbursement set forth in this subsection (b). Before any such payment shall be made, the Issuer shall file with the Trustee a fully executed requisition in the form of **Exhibit D** attached hereto signed by a Responsible Officer and except for payment of costs of issuance, a certificate of the Consulting Engineer signed by a Consulting Engineer also in the form of **Exhibit D** attached hereto and as may be modified by terms of the related Supplemental Indenture. Upon receipt of each such requisition and accompanying certificate, the Trustee shall promptly withdraw from the appropriate Series Account of the Acquisition and Construction Fund and pay to the person, firm or corporation named in such requisition the amount designated in such requisition. All requisitions and certificates received by the Trustee pursuant to this Section 5.01 shall be retained in the possession of the Trustee, subject at all reasonable times to the inspection of the Issuer, the Consulting Engineer, the Owner of any Bonds, and the agents and representatives thereof. The Trustee shall have no duty to investigate the accuracy or validity of the items delivered pursuant to this Section.

(c) *Completion of Project.* On the date of completion of a Project, as evidenced by the delivery to the Trustee of a certificate of the Consulting Engineer and adoption of a resolution by the Board accepting a Project as provided by Section 170.09, Florida Statutes, as amended (the "Completion Date"), the balance in the Acquisition and Construction Fund not reserved by the Issuer for the payment of any remaining part of the Cost of the Project or the payment of Deferred Costs, shall be transferred by the Trustee to, and deposited in, the applicable Series Account of the Bond Redemption Fund and applied as provided in Section 6.06 hereof and in the applicable Supplemental Indenture.

**ARTICLE VI**  
**SPECIAL ASSESSMENTS;**  
**APPLICATION THEREOF TO FUNDS AND ACCOUNTS**

**SECTION 6.01. SPECIAL ASSESSMENTS: LIEN OF INDEMTURE ON PLEDGED REVENUES.** The Issuer hereby covenants that it shall levy Special Assessments, and collect such Special Assessments in accordance with Section 9.04 hereof, unless otherwise provided in a

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case may be) and interest on the Series of Bonds issued hereunder and under such Supplemental Indenture, and any Series issued on a parity therewith.

**SECTION 6.03. REVENUE FUND.** The Trustee is hereby authorized and directed to establish a Revenue Fund and pursuant to a Supplemental Indenture a Series Account for each Series of Bonds issued hereunder, into which the Trustee shall immediately deposit any and all Special Assessments received from the levy thereof on the District Lands or any portion thereof (other than Special Assessment prepayments, including amounts constituting accrued interest on such prepayments) and any amounts received as the result of any foreclosure, sale of tax certificates or other remedial action for nonpayment of Special Assessments for the payment of the related Series of Bonds and other payments required hereunder or under the applicable Supplemental Indenture (unless such Special Assessments and/or other payments are specifically designated by the Issuer pursuant to a Supplemental Indenture for deposit into the Rebate Fund or any other Fund or Account established hereunder or under a Supplemental Indenture) and each Series Account therein shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee. The Trustee shall transfer from amounts on deposit in the Series Account in the Revenue Fund to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority unless other times and/or other priorities are established in a Supplemental Indenture with respect to a Series of Bonds:

FIRST, upon receipt but no later than the Business Day preceding the first May 1 for which there is an insufficient amount from Bond proceeds (or investment earnings thereon) on deposit in the applicable Series Interest Account to be applied to the payment of interest on the Bonds of a Series due on the next succeeding May 1, and no later than the Business Day next preceding each May 1 thereafter while Bonds of a Series issued under the Indenture remain Outstanding, to the applicable Series Interest Account of the Debt Service Fund, an amount equal to the interest on the related Series of Bonds becoming due on the next succeeding May 1, less any amount on deposit in such Interest Account not previously credited;

SECOND, beginning on the date set forth in the related Supplemental Indenture, and no later than the Business Day next preceding each May 1 thereafter while Bonds of a Series issued under the Indenture remain Outstanding, to the applicable Series Principal Account of the Debt Service Fund, an amount equal to the principal amount of Bonds of such Series maturing on the next succeeding principal payment date, less any amount on deposit in the applicable Series Principal Account not previously credited;

THIRD, beginning on the date set forth in the related Supplemental Indenture, and no later than the Business Day next preceding each May 1 thereafter while Bonds of a Series issued under the Indenture remain Outstanding, to the applicable Series Sinking Fund Account of the Debt Service Fund, an amount equal to the principal amount of Bonds of such Series subject to mandatory sinking fund redemption on the next

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Supplemental Indenture for a Series of Bonds, to the extent and in the amount necessary to pay the Debt Service Requirement on Bonds issued and Outstanding hereunder.

The Issuer shall, within five (5) Business Days of receipt thereof pay to the Trustee for deposit in the Series Account of the Revenue Fund established under Section 6.03 hereof all Special Assessments received by the Issuer from the levy thereof on the District Lands subject to assessments for the payment of the related Series of Bonds; provided, however, that amounts received as prepayments of Special Assessments and any amounts received under a "true-up" or similar agreement shall be deposited directly into the applicable Series Account within the Bond Redemption Fund established hereunder or in any account thereof established pursuant to the applicable Supplemental Indenture. The Issuer shall notify the Trustee in writing at the time of deposit of any amounts received as prepayments of Special Assessments and shall identify the related Series of Bonds.

There are hereby pledged for the payment of the principal or Redemption Price of and interest on all Bonds of each Series issued and Outstanding under the Indenture and all reimbursements due to any Credit Facility Issuer for any drawing with respect to such Series of Bonds on its Credit Facility, including, without limitation, interest thereon, as required under the terms of the applicable Credit Facility Agreement, the Pledged Revenues; provided, however, that unless otherwise specifically provided herein or in a Supplemental Indenture relating to a Series of Bonds with respect to the Pledged Revenues securing such Series of Bonds, the Pledged Revenues securing a Series of Bonds shall secure only such Series of Bonds and Bonds issued on a parity therewith and shall not secure any other Bonds or Series of Bonds. The Pledged Revenues shall immediately be subject to the lien and pledge of the Indenture without any physical delivery hereof or further act; provided, however, that the lien and pledge of the Indenture shall not apply to any moneys transferred by the Trustee to the Rebate Fund. The foregoing notwithstanding, to the extent provided in the Supplemental Indenture authorizing the issuance of a Series of Bonds, such Series of Bonds may be made payable from and secured by less than all of the Pledged Revenues, and any one or more of the provisions of this Master Indenture may be made inapplicable to such Series of Bonds, all as more specifically provided in the corresponding Supplemental Indenture; provided, however, that any such provisions shall apply only to the particular Series of Bonds authorized by such Supplemental Indenture and shall not affect in any manner whatsoever any Outstanding Series of Bonds.

**SECTION 6.02. FUNDS AND ACCOUNTS RELATING TO THE BONDS.** The Funds and Accounts specified in this Article VI shall be established under the Master Indenture and each Supplemental Indenture pursuant to which a Series of Bonds is issued for the benefit of the specific Series of Bonds issued pursuant to such Supplemental Indenture and any Series issued on a parity therewith and, unless expressly otherwise provided in said Supplemental Indenture, shall not apply to Bonds Outstanding hereunder issued under any other indenture supplemental hereto. Subject to the foregoing sentence, all moneys, including, without limitation, proceeds of a Series of Bonds, on deposit to the credit of the Funds and Accounts established hereunder and under a Supplemental Indenture (except for moneys transferred to the Rebate Fund) shall be pledged to the payment of the principal, redemption or purchase price of (as the

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succeeding principal payment date, less any amount on deposit in the applicable Series Sinking Fund Account not previously credited;

FOURTH, upon receipt but no later than the Business Day preceding the first November 1 for which there remains an insufficient amount from Bond proceeds (or investment earnings thereon) on deposit in the applicable Series Interest Account to be applied to the payment of interest on the Bonds of a Series due on the next succeeding November 1, and no later than the Business Day next preceding each November 1 thereafter while Bonds of such Series issued under the Indenture remain Outstanding, to the applicable Series Interest Account of the Debt Service Fund, an amount equal to the interest on the Bonds of such Series becoming due on the next succeeding November 1, less any amount on deposit in the applicable Series Interest Account not previously credited;

FIFTH, upon receipt but no later than the Business Day next preceding each Interest Payment Date while Bonds of a Series issued under the Indenture remain Outstanding, to the applicable Series Account of the Debt Service Reserve Fund, an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Debt Service Reserve Requirement;

SIXTH, subject to the following paragraph the balance of any moneys remaining in a Series Account of the Revenue Fund after making the foregoing deposits shall remain therein.

The Trustee shall within ten (10) Business Days after the last Interest Payment Date in any calendar year, at the written direction of the Issuer, and if no Event of Default is continuing, withdraw any moneys held for the credit of the Revenue Fund which are not otherwise required to be deposited pursuant to this Section or the related supplemental Indenture and deposit such moneys as directed in writing to the credit of the applicable Series Account of the Bond Redemption Fund in accordance with the provisions hereof. Special Assessment prepayments (including any portion thereof comprising interest thereon) pledged to a particular Series of Bonds shall be deposited directly into the applicable Series Account of the Bond Redemption Fund as provided herein.

**SECTION 6.04. DEBT SERVICE FUND.** The Trustee is hereby authorized and directed to establish a Debt Service Fund which shall consist of amounts deposited therein by the Trustee and any other amounts the Issuer may pay to the Trustee for deposit therein with respect to the related Series of Bonds. The Debt Service Fund shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee. The Trustee shall establish within the Debt Service Fund pursuant to a Supplemental Indenture, a Series Principal Account, a Series Interest Account and a Series Sinking Fund Account for each Series of Bonds, which accounts shall be separate and apart from all other Funds and Accounts established under the Indenture and from all other moneys of the Trustee.

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The Trustee at all times shall make available to any Paying Agent the funds in the Series Principal Account and the Series Interest Account of the Debt Service Fund to pay the principal of the applicable Series of Bonds as they mature upon surrender thereof and the interest on the applicable Series of Bonds as it becomes payable, respectively. When a Series of Bonds is redeemed, the amount, if any, in the Debt Service Fund representing interest thereon shall be applied to the payment of accrued interest in connection with such redemption.

The Trustee shall apply moneys in the Series Sinking Fund Account in the Debt Service Fund for purchase or redemption of the applicable Series of Bonds in amounts and maturities set forth in the Supplemental Indenture. Whenever Bonds of a Series are to be purchased out of such Series Sinking Fund Account, if the Issuer shall notify the Trustee in writing that the Issuer wishes to arrange for such purchase, the Trustee shall comply with the Issuer's arrangements provided they conform to the Indenture.

Except to the extent otherwise provided in a Supplemental Indenture, purchases, Sinking Fund Installments and redemptions out of the Series Sinking Fund Account shall be made as follows:

(a) The Trustee shall apply the amounts required to be transferred to the Series Sinking Fund Account (less any moneys applied to the purchase of Bonds of the applicable Series pursuant to the next sentence hereof) on the Sinking Fund Installment date in each of the years set forth in a Supplemental Indenture to the redemption of Bonds of a Series in the amounts, manner and maturities and on the dates set forth in a Supplemental Indenture, at a Redemption Price of 100% of the principal amount thereof. At the written direction of the Issuer, the Trustee shall apply moneys from time to time available in the applicable Series Sinking Fund Account to the purchase of Bonds of the applicable Series which mature in the aforesaid years, at prices not higher than the principal amount thereof, in lieu of redemption as aforesaid, provided that firm purchase commitments can be made before the notice of redemption would otherwise be required to be given. In the event of purchases at less than the principal amount thereof, the difference between the amount in the Series Sinking Fund Account representing the principal amount of the Bonds so purchased and the purchase price thereof (exclusive of accrued interest) shall be transferred to the related Series Interest Account of the Debt Service Fund.

(b) Accrued interest on purchased or redeemed Bonds of a Series shall be paid from the related Series Interest Account of the Debt Service Fund.

(c) In lieu of paying the Debt Service Requirements necessary to allow any mandatory redemption of Bonds of a Series from the related Series Sinking Fund Account, the Issuer may present to the Trustee Bonds of a Series purchased by the Issuer pursuant to subparagraph (a) above and furnished for such purposes; provided, however, that no Bonds of such Series so purchased shall be credited towards the Debt Service Requirements in respect of the mandatory redemption of Bonds of such Series for which notice of redemption has been given pursuant to Section 8.02 of this Master Indenture. Any Bond so purchased shall be presented to the Trustee for cancellation. In such event, the Debt Service Requirements with respect to the Bonds of a

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Series Principal Account or the related Series Sinking Fund Account, as the case may be, is insufficient to pay all amounts payable on such Series of Bonds therefrom on such payment dates, the Trustee shall, without further instructions, transfer the amount of any such deficiency from the related Series Account of the Debt Service Reserve Fund into the related Series Interest Account, the related Series Principal Account and the related Series Sinking Fund Account, as the case may be, with priority to the related Series Interest Account and then, proportionately according to the respective deficiencies therein, to the related Series Principal Account and the related Series Sinking Fund Account, to be applied to pay amounts due with respect to a Series of Bonds secured by the Series Account of the Debt Service Reserve Fund on such date.

Notwithstanding the foregoing, in lieu of the required deposits into the related Series Account of the Debt Service Reserve Fund, the Issuer may cause to be deposited into the Series Account of the Debt Service Reserve Fund a Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit either in lieu of any cash amount required to be deposited therein in connection with the issuance of any Series of Bonds or in substitution for the full amounts then on deposit therein or in an amount equal to the difference between the amount required to be deposited and the sum, if any, then on deposit in the Series Account of the Debt Service Reserve Fund, which Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit shall be payable (upon the giving of notice as required thereunder) on any Interest Payment Date or principal payment date on which a deficiency exists which cannot be remedied by moneys in any other Fund or Account held pursuant to the Indenture and available for such purpose. Unless otherwise provided in the Supplemental Indenture with respect to a Series of Bonds, if any such Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit is substituted for moneys on deposit in the Series Account of the Debt Service Reserve Fund, or if at any time there are excess moneys in the Series Account of the Debt Service Reserve Fund, the excess moneys in the Series Account of the Debt Service Reserve Fund shall be transferred to and deposited in the related Series Account of the Revenue Fund. If a disbursement is made from a Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit, the Issuer shall be obligated to either reinstate the maximum limits of such Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit immediately following such disbursement or to deposit into the Series Account of the Debt Service Reserve Fund, as provided in the Indenture for restoration of withdrawals from the Series Account of the Debt Service Reserve Fund, funds in the amount of the disbursement made under such Debt Service Reserve Insurance Policy or Debt Service Reserve Letter of Credit.

In the event that upon the occurrence of any deficiency in a Series Interest Account, a Series Principal Account or a Series Sinking Fund Account, the Series Account of the Debt Service Reserve Fund is then funded with a Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, the Trustee shall, on an Interest Payment Date or principal payment date or mandatory redemption date to which such deficiency relates, draw upon the Debt Service Reserve Letter of Credit or cause to be paid under the Debt Service Reserve Insurance Policy an amount sufficient to remedy such deficiency, in accordance with the terms and provisions of the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy as applicable, and any corresponding reimbursement or other agreement governing the Debt Service Reserve Letter

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Series for the period in which the purchased Bonds are presented to the Trustee shall, for all purposes hereunder, be reduced by an amount equal to the aggregate principal amount of any such Bonds (and the interest applicable thereto) so presented.

**SECTION 6.05. DEBT SERVICE RESERVE FUND.** The Trustee is hereby authorized and directed to establish a Debt Service Reserve Fund and pursuant to a Supplemental Indenture a Series Account for each Series of Bonds issued hereunder. The Debt Service Reserve Fund and each Series Account therein shall be held by the Trustee for the benefit of each related Series of Bonds; provided, however, that notwithstanding anything to the contrary contained in this Master Indenture, the Supplemental Indenture authorizing the issuance of a Series of Bonds may provide that the Debt Service Reserve Fund is not applicable and no account therein shall secure such Series of Bonds. The Debt Service Reserve Fund and each Series Account therein shall constitute an irrevocable trust fund to be applied solely as set forth herein and shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee. Unless otherwise provided in the Supplemental Indenture authorizing the issuance of a Series of Bonds, on the date of issuance and delivery of a Series of Bonds an amount of Bond proceeds equal to the Debt Service Reserve Requirement in respect of such Series of Bonds, calculated as of the date of issuance and delivery of such Series of Bonds, shall be deposited in the related Series Account of the Debt Service Reserve Fund. Unless otherwise provided in the Supplemental Indenture with respect to a Series of Bonds and as long as there exists no default under the Indenture and the amount in the Series Account of the Debt Service Reserve Fund is not reduced below the then applicable Debt Service Reserve Requirement with respect to such Series of Bonds, earnings on investments in the Series Account of the Debt Service Reserve Fund shall be transferred to the related Series Account of the Revenue Fund. Otherwise, earnings on investments in each Series Account of the Debt Service Reserve Fund shall be retained therein until applied as set forth herein. Unless otherwise provided in a Supplemental Indenture, in the event that the amount in a Series Account of the Debt Service Reserve Fund exceeds the Debt Service Reserve Requirement with respect to such Series of Bonds due to a decrease in the then applicable Debt Service Reserve Requirement as a result of an optional prepayment by the owner of a lot or parcel of land of a Special Assessment against such lot or parcel, which Special Assessment is pledged for the payment and security of such Series of Bonds, the excess amount shall be transferred from the Series Account of the Debt Service Reserve Fund to the Bond Redemption Fund established for such Series of Bonds, as a credit against the principal amount of the prepayment otherwise required to be made by the owner of such lot or parcel. Unless otherwise provided in the Supplemental Indenture with respect to a Series of Bonds, and in the event that the amount in a Series Account of the Debt Service Reserve Fund exceeds the Debt Service Reserve Requirement with respect to such Series of Bonds due to a decrease in the then applicable Debt Service Reserve Requirement for any other reason, the excess amount shall be transferred from the Series Account of the Debt Service Reserve Fund to the related Series Account of the Revenue Fund.

Whenever for any reason on an Interest Payment Date or principal payment date or mandatory redemption date with respect to a related Series of Bonds secured by a Series Account of the Debt Service Reserve Fund the amount in the related Series Interest Account, the related

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of Credit or Debt Service Reserve Insurance Policy; provided, however, that if at the time of such deficiency the Series Account of the Debt Service Reserve Fund is only partially funded with a Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, prior to drawing on the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, as applicable, the Trustee shall first apply any cash and securities on deposit in the Series Account of the Debt Service Reserve Fund to remedy the deficiency in accordance with the second paragraph of this Section 6.05 and, if after such application a deficiency still exists, the Trustee shall make up the balance of the deficiency by drawing on the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy, as provided in this sentence. Amounts drawn on the Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy shall be applied as set forth in the second paragraph of this Section 6.05. Any amounts drawn under a Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy shall be reimbursed to the issuer thereof in accordance with the terms and provisions of the reimbursement or other agreement governing such Debt Service Reserve Letter of Credit or Debt Service Reserve Insurance Policy.

**SECTION 6.06. BOND REDEMPTION FUND.** The Trustee is hereby authorized and directed to establish a Series Bond Redemption Fund for each Series of Bonds issued hereunder into which shall be deposited, moneys in the amounts and at the times provided in Sections 5.01, 6.01, 6.03, 6.05, 9.08(c) and 9.14(c) of this Master Indenture. The Series Bond Redemption Fund shall constitute an irrevocable trust fund to be applied solely as set forth in the applicable Indenture and shall be held by the Trustee separate and apart from all other Funds and Accounts held under such Indenture and from all other moneys of the Trustee. All earnings on investments held in the Series Bond Redemption Fund shall be retained therein and applied as set forth below.

Moneys in the Series Bond Redemption Fund (including all earnings on investments held in the Series Bond Redemption Fund) shall be accumulated therein to be used in the following order of priority, to the extent that the need therefor arises:

FIRST, to make such deposits into the Series Rebate Fund, if any, as the Issuer may direct in accordance with an arbitrage rebate agreement, such moneys thereupon to be used solely for the purposes specified in said arbitrage rebate agreement. Any moneys so transferred from the Series Bond Redemption Fund to the Series Rebate Fund shall thereupon be free from the lien and pledge of the related Indenture;

SECOND, to be used to call for redemption pursuant to clause (b) of Section 8.01 hereof an amount of Bonds of the applicable Series equal to the amount of money transferred to the Series Bond Redemption Fund pursuant to the aforesaid clauses or provisions, as appropriate, for the purpose of such extraordinary mandatory redemption on the dates and at the prices, including interest due thereon, provided in such clauses or provisions, as appropriate; and

THIRD, the remainder to be utilized by the Trustee, at the written direction of a Responsible Officer, to call for redemption, the Bonds of the applicable Series which are

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subject to optional redemption pursuant to Section 8.01(a) hereof such amount of Bonds (including interest thereon) of the applicable Series as, with the redemption premium, may be practicable; provided, however, that not less than Five Thousand Dollars (\$5,000) principal amount of Bonds of the applicable Series shall be called for redemption at one time.

Any such redemption shall be made in accordance with the provisions of Article VIII of this Master Indenture. The Issuer shall pay all expenses in connection with such redemption.

**SECTION 6.07. DRAWINGS ON CREDIT FACILITY.** With respect to Bonds in respect of which there has been issued a Credit Facility, the Trustee shall draw on the Credit Facility in accordance with the provisions for drawing under such Credit Facility, and within the requisite time period, all as set forth in the Credit Facility Agreement or the Supplemental Indenture.

**SECTION 6.08. PROCEDURE WHEN FUNDS ARE SUFFICIENT TO PAY ALL BONDS OF A SERIES.** Unless otherwise provided in the Supplemental Indenture with respect to a Series of Bonds, if at any time the moneys held by the Trustee in the Funds and Accounts hereunder and under a Supplemental Indenture and available therefor are sufficient to pay the principal or Redemption Price of, as the case may be, and interest on all Bonds of a Series then Outstanding under such Indenture to maturity or prior redemption, together with any amounts due the Issuer and the Trustee, Paying Agent, Registrar, and Credit Facility Issuer, the Trustee, at the written direction of the Issuer, shall apply the amounts in the Series Funds and Series Accounts to the payment of the aforesaid obligations and the Issuer shall not be required to pay over any further Pledged Revenues with respect to such Series of Bonds unless and until it shall appear that there is a deficiency in the Funds and Accounts held by the Trustee.

**SECTION 6.09. CERTAIN MONEYS TO BE HELD FOR SERIES BONDOWNERS ONLY.** Each Series of Bonds issued pursuant to this Master Indenture and a Supplemental Indenture shall be secured by Pledged Revenues, as set forth herein, and otherwise may be secured by such additional Funds and Accounts and other security (including, but not limited to, Credit Facilities) established by the pertinent Supplemental Indenture. Moneys and investments in the various Funds and Accounts created under a Supplemental Indenture expressly and solely for the benefit of the Series of Bonds issued under such Supplemental Indenture shall be held in trust by the Trustee for the benefit of the Holders of, and Credit Facility Issuer with respect to, Bonds of that Series only.

**SECTION 6.10. UNCLAIMED MONEYS** In the event any Bond shall not be presented for payment when the principal of such Bond becomes due, either at maturity or at the date fixed for redemption of such Bond or otherwise, if amounts sufficient to pay such Bond have been deposited with the Trustee for the benefit of the Owner of the Bond and have remained unclaimed for three (3) years after the date payment thereof becomes due, such amounts shall, upon the written request of the Issuer, if the Issuer is not at the time to the actual knowledge of the Trustee in default with respect to any covenant in the Indenture or the Bonds contained, be paid to the

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purposes set forth herein. All securities securing investments under this Section shall be deposited with a Federal Reserve Bank, with the trust department of the Trustee, as authorized by law with respect to trust funds in the State, or with a bank or trust company having a combined net capital and surplus of not less than \$50,000,000. The interest and income received upon such investments and any interest paid by the Trustee or any other depository of any Fund or Account and any profit or loss resulting from the sale of securities shall be added or charged to the Fund or Account for which such investments are made; provided, however, that if the amount in any Fund or Account equals or exceeds the amount required to be on deposit therein, subject to Section 6.05 of this Master Indenture and unless otherwise provided in a Supplemental Indenture with respect to a specific Series of Bonds, any interest and other income so received shall be deposited in the related Series Account of the Revenue Fund. Upon the written request of the Issuer, or on its own initiative whenever payment is to be made out of any Fund or Account, the Trustee shall sell such securities as may be requested to make the payment and restore the proceeds to the Fund or Account in which the securities were held. The Trustee shall not be accountable for any depreciation in the value of any such security or for any loss resulting from the sale thereof, except as provided hereinafter. If net proceeds from the sale of securities held in any Fund or Account shall be less than the amount invested and, as a result, the amount on deposit in such Fund or Account is less than the amount required to be on deposit in such Fund or Account, the amount of such deficit shall be transferred to such Fund or Account from the related Series Account of the Revenue Fund.

Absent specific instructions as aforesaid, all moneys in the Funds and Accounts established under the Indenture shall be held uninvested. The Trustee shall not be liable or responsible for any loss or failure to achieve the highest return, or entitled to any gain resulting from any investment or sale upon the investment instructions of the Issuer or otherwise, including that set forth in the first sentence of this paragraph. The Trustee may make any investments permitted by the provisions of this Section 7.02 through its own bond department or investment department.

The Trustee may conclusively rely upon the Issuer's written instructions as to both the suitability and legality of all investments directed hereunder or under any Supplemental Indenture. Ratings of investments shall be determined at the time of purchase of such investments and without regard to ratings subcategories. The Trustee shall have no responsibility to monitor the ratings of investments.

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Issuer; and the Owners of the Bonds for which the deposit was made shall thereafter be limited to a claim against the Issuer; provided, however, that the Trustee, before making payment to the Issuer, may, at the expense of the Issuer and if directed by the Issuer, cause a notice to be published in an Authorized Newspaper, stating that the money remaining unclaimed will be returned to the Issuer after a specified date.

## ARTICLE VII SECURITY FOR AND INVESTMENT OR DEPOSIT OF FUNDS

**SECTION 7.01. DEPOSITS AND SECURITY THEREFOR.** Unless otherwise provided in the Supplemental Indenture with respect to a Series of Bonds, all moneys received by the Trustee under a Supplemental Indenture for deposit in any Fund or Account established under the Indenture or such Supplemental Indenture shall be considered trust funds, shall not be subject to lien or attachment, except for the lien created by the Indenture, and shall be deposited with the Trustee, until or unless invested or deposited as provided in Section 7.02 hereof. All deposits of moneys received by the Trustee under the Indenture or such Supplemental Indenture (whether original deposits under this Section 7.01 or deposits or redeposits in time accounts under Section 7.02) shall, to the extent not insured, and to the extent permitted by law, be fully secured as to both principal and interest earned, by Investment Securities of the types set forth in the definition of Investment Securities and the provisions thereof; provided, however, investments of the type specified in (3) of the definition of Investment Securities shall not be required to be so insured or secured. If at any time the Trustee is unwilling to accept such deposits or unable to secure them as provided above, the Trustee may deposit such moneys with any other depository which is authorized to receive them and the deposits of which are insured by the Federal Deposit Insurance Corporation (including the FDIC Savings Association Insurance Fund). All deposits in any other depository in excess of the amount covered by insurance (whether under this Section 7.01 or Section 7.02 as aforesaid) shall, to the extent permitted by law, be fully secured as to both principal and interest earned, in the same manner as required herein for deposits with the Trustee. Such security shall be deposited with a Federal Reserve Bank, with the trust department of the Trustee as authorized by law with respect to trust funds in the State, or with a bank or trust company having a combined net capital and surplus of not less than \$50,000,000.

**SECTION 7.02. INVESTMENT OR DEPOSIT OF FUNDS.** Except to the extent otherwise provided in a Supplemental Indenture with respect to a specific Series of Bonds, the Trustee shall, as directed by the Issuer in writing, invest moneys held in any Series Account in the Debt Service Fund and any Series Bond Redemption Fund created under any Supplemental Indenture only in Government Obligations and securities described in subparagraph (3) or (6), of the definition of Investment Securities. Except to the extent otherwise provided in a Supplemental Indenture with respect to a specific Series of Bonds, the Trustee shall, as directed by the Issuer in writing, invest moneys held in any Series Account of the Debt Service Reserve Fund in Investment Securities. All deposits in time accounts shall be subject to withdrawal without penalty and all investments shall mature or be subject to redemption by the holder without penalty, not later than the date when the amounts will foreseeably be needed for

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**SECTION 7.03. VALUATION OF FUNDS.** Except for the assets on deposit in the Debt Service Reserve Fund, the Trustee shall value the assets in each of the Funds and Accounts established hereunder or under any Supplemental Indenture within ten (10) Business Days following each November 1 Interest Payment Date. With respect to the assets in the Debt Service Reserve Fund, including all accounts established therein, the Trustee shall value such assets forty-five (45) days prior to each Interest Payment Date. In either case, as soon as practicable after each such valuation date (but no later than ten (10) Business Days after each such valuation date), the Trustee shall provide the Issuer a report of the status of each Fund and Account as of the valuation date. In computing the assets of any Fund or Account, investments and accrued interest thereon shall be deemed a part thereof, subject to Section 7.02 hereof. For the purpose of determining the amount on deposit to the credit of any Fund or Account established hereunder or under any Supplemental Indenture, obligations in which money in such Fund or Account shall have been invested shall be valued at the market value or the amortized cost thereof, whichever is lower, or at the redemption price thereof, to the extent that any such obligation is then redeemable at the option of the holder.

**SECTION 7.04. BROKERAGE CONFIRMATIONS.** The Issuer acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Issuer the right to receive individual confirmations of security transactions at no additional cost, as they occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Issuer monthly transaction statements that include detail for all investment transactions made by the Issuer hereunder.

**SECTION 7.05. PATRIOT ACT REQUIREMENTS OF THE TRUSTEE.** To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust or other legal entity, the Trustee will ask for documentation to verify such non-individual person's formation and existence as a legal entity. The Trustee may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

## ARTICLE VIII REDEMPTION AND PURCHASE OF BONDS

**SECTION 8.01. REDEMPTION DATES AND PRICES.** The Bonds may be made subject to optional, mandatory and extraordinary redemption and purchase, either in whole or in part, by the Issuer, prior to maturity in the amounts, at the times and in the manner provided in this Article VIII and in a Supplemental Indenture.

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(a) **Optional Redemption.** Bonds of a Series shall be subject to optional redemption at the written direction of the Issuer, at the times and upon payment of the Redemption Price plus the accrued interest to the redemption date, as provided in a Supplemental Indenture.

(b) **Extraordinary Mandatory Redemption in Whole or in Part.** Except as otherwise provided in a Supplemental Indenture with respect to Bonds of the related Series, Bonds of a Series are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole, on any date, or in part, on any Interest Payment Date, at an extraordinary mandatory Redemption Price equal to 100% of the principal amount of the Bonds to be redeemed, plus interest accrued to the redemption date, (i) from moneys deposited into the related Series Bond Redemption Fund following the payment in full of Special Assessments on any portion of the District Lands in accordance with the provisions of Section 9.08(a) hereof; (ii) from moneys deposited into the related Series Bond Redemption Fund following the payment in full of Special Assessments on any portion of the District Lands as a result of any prepayment of Special Assessments in accordance with Section 9.08(b) hereof; (iii) when sufficient moneys are on deposit in the related Series Funds and Accounts (other than the Rebate Fund and any other Fund or Account expressly pledged to a different Series of Bonds as provided in a Supplemental Indenture with respect to a Series of Bonds or any money required to pay Costs of the Project or Deferred Costs) to pay and redeem all Outstanding Bonds of a Series and accrued interest thereon to the redemption date in addition to all amounts owed to Persons under the Indenture; (iv) unless otherwise provided in the Supplemental Indenture with respect to a Series of Bonds from moneys in excess of the Debt Service Reserve Requirement in the Series Account of the Debt Service Reserve Fund transferred to the Series Bond Redemption Fund pursuant to Section 6.05 hereof; (v) from excess moneys transferred from the Series Account of the Revenue Fund to the Series Bond Redemption Fund in accordance with Section 6.03 of this Master Indenture; (vi) from moneys, if any, on deposit in the Series Bond Redemption Fund pursuant to Section 9.14(c) hereof following condemnation or the sale of any portion of the District Lands benefited by a Project to a governmental entity under threat of condemnation by such governmental entity or the damage or destruction of all or substantially all of the Project when such moneys are not to be used pursuant to 9.14(c) to repair, replace or restore the Project; provided, however, that at least forty-five (45) days prior to such extraordinary mandatory redemption, the Issuer shall cause to be delivered to the Trustee (x) notice setting forth the redemption date and (y) a certificate of the Consulting Engineer confirming that the repair and restoration of the Project would not be economical or would be impracticable; or (vii) from amounts transferred to the Series Account of the Bond Redemption Fund from the Series Account of the Acquisition and Construction Fund in accordance with Section 5.01(c) hereof.

(c) **Mandatory Sinking Fund Redemption.** Bonds of a Series shall be subject to mandatory sinking fund redemption at a Redemption Price of 100% of the principal amount thereof plus accrued interest to the redemption date, in the years and amounts set forth in a Supplemental Indenture.

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(e) that on the redemption or purchase date the redemption or purchase price will become due and payable upon surrender of each such Bond or portion thereof called for redemption or purchase, and that interest thereon shall cease to accrue from and after said date;

(f) the place where such Bonds are to be surrendered for payment of the redemption or purchase price, which place of payment shall be a corporate trust office of the Trustee; and

(g) any condition or conditions to be met prior to the redemption of the Bonds of such Series, including, but not limited to receipt of funds sufficient to accomplish the redemption of the Bonds.

If at the time of mailing of notice of an optional redemption or purchase, the Issuer shall not have deposited with the Trustee or Paying Agent moneys sufficient to redeem or purchase all the Bonds called for redemption or purchase, such notice shall state that it is subject to the deposit of the redemption or purchase moneys with the Trustee or Paying Agent, as the case may be, not later than the opening of business on the redemption or purchase date, and such notice shall be of no effect unless such moneys are so deposited.

If the amount of funds deposited with the Trustee for such redemption, or otherwise available, is insufficient to pay the Redemption Price and accrued interest on the Bonds so called for redemption on the redemption date, the Trustee shall redeem and pay on such date an amount of such Bonds for which such funds are sufficient, selecting the Bonds to be redeemed by lot from among all such Bonds called for redemption on such date, and among different maturities of Bonds in the same manner as the initial selection of Bonds to be redeemed, and from and after such redemption date, interest on the Bonds or portions thereof so paid shall cease to accrue and become payable; but interest on any Bonds or portions thereof not so paid shall continue to accrue until paid at the same rate as it would have had such Bonds not been called for redemption.

The notices required to be given by this Section 8.02 shall state that no representation is made as to correctness or accuracy of the CUSIP numbers listed in such notice or printed on the Bonds.

If any required (a) unconditional notice of redemption has been duly given, mailed or waived by the Owners of all Bonds called for redemption or (b) conditional notice of redemption has been so given, mailed or waived and the redemption moneys have been duly deposited with the Trustee or Paying Agent, then in either case, the Bonds called for redemption shall be payable on the redemption date at the applicable Redemption Price plus accrued interest, if any, to the redemption date. Bonds of a Series so called for redemption, for which moneys have been duly deposited with the Trustee, will cease to bear interest on the specified redemption date, shall no longer be secured by the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture.

Payment of the Redemption Price, together with accrued interest, shall be made by the Trustee or Paying Agent to or upon the order of the Owners of the Bonds called for redemption upon surrender of such Bonds. The Redemption Price of the Bonds to be redeemed, the expenses

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In connection with such mandatory sinking fund redemption of Bonds, amounts shall be transferred from the applicable Series Account of the Revenue Fund to the Series Sinking Fund Account of the Debt Service Fund, all as more particularly described in Section 6.03 hereof.

The principal amounts of scheduled Sinking Fund Installments shall be reduced as specified by the Issuer in writing or as provided in Section 8.03 hereof by any principal amounts of the Bonds redeemed pursuant to Section 8.01(a) and (b) hereof or purchased pursuant to Section 6.04 hereof.

Upon any purchase or redemption of Bonds other than in accordance with scheduled Sinking Fund Installments, the Issuer shall cause to be recalculated and delivered to the Trustee revised Sinking Fund Installments recalculated so as to amortize the Outstanding principal amount of Bonds of such Series in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Bonds of such Series. The Sinking Fund Installments as so recalculated shall not result in an increase in the aggregate of the Sinking Fund Installments for all Bonds of such Series in any year. In the event of a redemption or purchase occurring less than forty-five (45) days prior to a date on which a Sinking Fund Installment is due, the foregoing recalculation shall not be made to Sinking Fund Installments due in the year in which such redemption or purchase occurs, but shall be made to Sinking Fund Installments for the immediately succeeding and subsequent years.

**SECTION 8.02. NOTICE OF REDEMPTION AND OF PURCHASE.** Except where otherwise required by a Supplemental Indenture, when required to redeem or purchase Bonds of a Series under any provision of the Indenture or directed to do so by the Issuer, the Trustee shall cause notice of the redemption, either in whole or in part, to be given by Electronic Means or mailed at least thirty (30) but not more than sixty (60) days prior to the redemption or purchase date to all Owners of Bonds to be redeemed or purchased (as such Owners appear on the Bond Register on the fifth (5th) day prior to such mailing), at their registered addresses and also to any Credit Facility Issuer, but failure to mail any such notice or defect in the notice or in the mailing thereof shall not affect the validity of the redemption or purchase of the Bonds of such Series for which notice was duly mailed in accordance with this Section 8.02. Such notice shall be given in the name of the Issuer, shall be dated, shall set forth the Bonds of such Series Outstanding which shall be called for redemption or purchase and shall include, without limitation, the following additional information:

- (a) the redemption or purchase date;
- (b) the redemption or purchase price;
- (c) CUSIP numbers, to the extent applicable, and any other distinctive numbers and letters;
- (d) if less than all Outstanding Bonds of a Series to be redeemed or purchased, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed or purchased;

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of giving notice and any other expenses of redemption, shall be paid out of the Fund from which redemption is to be made or by the Issuer, or as specified in a Supplemental Indenture.

**SECTION 8.03. PARTIAL REDEMPTION OF BONDS.** Except to the extent otherwise provided in a Supplemental Indenture, if less than all of a Series of Bonds of a maturity are to be redeemed, the Trustee shall select the particular Bonds or portions of the Bonds to be called for redemption by lot in such reasonable manner as the Trustee in its discretion may determine. In the case of any partial redemption of Bonds of a Series pursuant to Section 8.01(a), such redemption shall be effectuated by redeeming Bonds of such Series of such maturities in such manner as shall be specified by the Issuer in writing, subject to the provisions of Section 8.01 hereof. In the case of any partial redemption of Bonds of a Series pursuant to Section 8.01(b), such redemption shall be effectuated by redeeming Bonds of such Series pro rata among the maturities, treating each date on which a Sinking Fund Installment is due as a separate maturity for such purpose, with the portion to be redeemed from each maturity being equal to the product of the aggregate principal amount of Bonds of such Series to be redeemed multiplied times a fraction the numerator of which is the principal amount of the Series of Bonds of such maturity outstanding immediately prior to the redemption date and the denominator of which is the aggregate principal amount of all Bonds of such Series outstanding immediately prior to the redemption date.

## ARTICLE IX COVENANTS OF THE ISSUER

**SECTION 9.01. POWER TO ISSUE BONDS AND CREATE LIEN.** The Issuer is duly authorized under the Act and all applicable laws of the State to issue the Bonds, to adopt and execute the Master Indenture and to pledge the Pledged Revenues for the benefit of the Bonds of a Series and any Credit Facility Issuer, except to the extent otherwise provided in a Supplemental Indenture. The Pledged Revenues are not and shall not be subject to any other lien senior to or on a parity with the lien created in favor of the Bonds of a Series and any Credit Facility Issuer with respect to such Series. The Bonds and the provisions of the Indenture are and will be valid and legally enforceable obligations of the Issuer in accordance with their respective terms. The Issuer shall, at all times, to the extent permitted by law, defend, preserve and protect the pledge created by the Indenture and all the rights of the Bondholders and any Credit Facility Issuer under the Indenture against all claims and demands of all other Persons whomsoever.

**SECTION 9.02. PAYMENT OF PRINCIPAL AND INTEREST ON BONDS.** The payment of the principal or Redemption Price of and interest on all of the Bonds of a Series issued under the Indenture shall be secured forthwith equally and ratably by a first lien on and pledge of the Pledged Revenues, except to the extent otherwise provided in a Supplemental Indenture; and Pledged Revenues in an amount sufficient to pay the principal or Redemption Price of and interest on the Bonds of a Series authorized by the Indenture are hereby irrevocably pledged to the payment of the principal or Redemption Price of and interest on the Bonds of a Series authorized under the Indenture, as the same become due and payable. The Issuer shall promptly pay the interest on and the principal or Redemption Price of every Bond issued hereunder

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according to the terms thereof, but shall be required to make such payment only out of the Pledged Revenues.

THE BONDS AUTHORIZED UNDER THE INDENTURE AND THE OBLIGATION EVIDENCED THEREBY SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OF THE ISSUER, INCLUDING, WITHOUT LIMITATION, THE CAPITAL IMPROVEMENT PROGRAM OR ANY PORTION THEREOF IN RESPECT OF WHICH ANY SUCH BONDS ARE BEING ISSUED, OR ANY PART THEREOF, BUT SHALL CONSTITUTE A LIEN ONLY ON THE PLEDGED REVENUES AS SET FORTH IN THE INDENTURE. NOTHING IN THE BONDS AUTHORIZED UNDER THE INDENTURE OR IN THE INDENTURE SHALL BE CONSTRUED AS OBLIGATING THE ISSUER TO PAY THE BONDS OR THE REDEMPTION PRICE THEREOF OR THE INTEREST THEREON EXCEPT FROM THE PLEDGED REVENUES, OR AS PLEDGING THE FAITH AND CREDIT OF THE ISSUER, THE COUNTY, OR THE STATE OR ANY OTHER POLITICAL SUBDIVISION THEREOF, OR AS OBLIGATING THE ISSUER, THE COUNTY, OR THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS, DIRECTLY OR INDIRECTLY OR CONTINGENTLY, TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATSOEVER THEREFOR.

#### **SECTION 9.03. SPECIAL ASSESSMENTS; RE-ASSESSMENTS.**

(a) Unless otherwise provided by Supplemental Indenture, the Issuer shall levy Special Assessments, and evidence and certify the same to the Tax Collector or shall cause the Property Appraiser to certify the same on the tax roll to the Tax Collector for collection by the Tax Collector and enforcement by the Tax Collector or the Issuer pursuant to the Act, Chapter 170 or Chapter 197, Florida Statutes, or any successor statutes, as applicable, and Section 9.04 hereof, to the extent and in an amount sufficient to pay Debt Service Requirements on all Outstanding Bonds.

(b) If any Special Assessment shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the Issuer shall be satisfied that any such Special Assessment is so irregular or defective that the same cannot be enforced or collected, or if the Issuer shall have omitted to make such Special Assessment when it might have done so, the Issuer shall either (i) take all necessary steps to cause a new Special Assessment to be made for the whole or any part of said improvement or against any property benefited by said improvement, or (ii) in its sole discretion, make up the amount of such Special Assessment from any legally available moneys, which moneys shall be deposited into the applicable Series Account in the Revenue Fund. In case such second Special Assessment shall be annulled, the Issuer shall obtain and make other Special Assessments until a valid Special Assessment shall be made.

**SECTION 9.04. METHOD OF COLLECTION.** Special Assessments shall be collected by the Issuer in accordance with the provisions of the Act and Chapter 170 or Chapter 197, Florida Statutes, or any successor statutes thereto, as applicable, in accordance with the terms of this Section. Unless otherwise provided by Supplemental Indenture, the Issuer shall use its best efforts to adopt the uniform method for the levy, collection and enforcement of Special

Assessments afforded by Sections 197.3631, 197.3632 and 197.3635, Florida Statutes, or any successor statutes thereto, as soon as practicable, or a comparable alternative method afforded by Section 197.3631, Florida Statutes. If using such uniform method, the Issuer shall use its best efforts to enter into one or more written agreements with the Property Appraiser and the Tax Collector, either individually or jointly (together, the "Property Appraiser and Tax Collector Agreement") in order to effectuate the provisions of this Section. The Issuer shall use its best efforts to ensure that any such Property Appraiser and Tax Collector Agreement remains in effect for at least as long as the final maturity of Bonds Outstanding under the Indenture. To the extent that it is not in the best interests of the Issuer to collect Special Assessments, all or in part, pursuant to the "uniform tax roll collection" method under Chapter 197, Florida Statutes, the Issuer may elect to collect and enforce Special Assessments, all or in part, pursuant to any available method under the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto. The election to collect and enforce Special Assessments in any year pursuant to any one method shall not, to the extent permitted by law, preclude the Issuer from electing to collect and enforce Special Assessments pursuant to any other method permitted by law in any subsequent year.

Notwithstanding the immediately preceding paragraph or any other provision in this Master Indenture to the contrary, upon the occurrence of an Event of Default, if the Trustee, acting at the written direction of the Majority Owners of a Series of Bonds, requests in writing that the Issuer not use the uniform method, but instead collect and enforce the Special Assessments securing such Series of Bonds pursuant to another available method under the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto, then the Issuer shall collect and enforce said Special Assessments in the manner and pursuant to the method so requested by the Trustee.

**SECTION 9.05. DELINQUENT SPECIAL ASSESSMENTS.** Subject to the provisions of Section 9.04 hereof, if the owner of any lot or parcel of land assessed for a particular Project shall be delinquent in the payment of any Special Assessment, then such Special Assessment shall be enforced pursuant to the provisions of Chapter 197, Florida Statutes, or any successor statute thereto, including but not limited to the sale of tax certificates and tax deeds as regards such delinquent Special Assessment. In the event the provisions of Chapter 197, Florida Statutes, and any provisions of the Act with respect to such sale are inapplicable by operation of law, then upon the delinquency of any Special Assessment the Issuer may, to the extent permitted by law, utilize any other method of enforcement as provided by Section 9.04 hereof, including, without limitation, declaring the entire unpaid balance of such Special Assessment to be in default and, at its own expense, cause such delinquent property to be foreclosed, pursuant to the provisions of Section 170.10, Florida Statutes, in the same method now or hereafter provided by law for the foreclosure of mortgages on real estate, or pursuant to the provisions of Chapter 173, Florida Statutes, and Sections 190.026 and 170.10, Florida Statutes, or otherwise as provided by law.

**SECTION 9.06. SALE OF TAX CERTIFICATES AND ISSUANCE OF TAX DEEDS; FORECLOSURE OF SPECIAL ASSESSMENT LIENS.** If the Special Assessments levied and collected under the uniform method described in Section 9.04 are delinquent, then the applicable

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procedures for issuance and sale of tax certificates and tax deeds for nonpayment shall be followed in accordance with Chapter 197, Florida Statutes, and related statutes. Alternatively, if the uniform method of levy and collection is not utilized, and if any property shall be offered for sale for the nonpayment of any Special Assessment, and no person or persons shall purchase the same for an amount at least equal to the full amount due on the Special Assessment (principal, interest, penalties and costs, plus attorneys fees, if any), the property may then be purchased by the Issuer for an amount equal to the balance due on the Special Assessment (principal, interest, penalties and costs, plus attorneys fees, if any) from any legally available funds of the Issuer, and the Issuer shall thereupon receive in its corporate name (or in the name of a special purpose entity) the title to the property for the benefit of the Owners. The Issuer, either through its own actions or actions caused to be done through the Trustee, shall have the power and shall use its best efforts to lease or sell such property and deposit all of the net proceeds of any such lease or sale into the related Series Account of the Revenue Fund. Not less than ten (10) days prior to the filing of any foreclosure action or any sale of tax deed as herein provided, the Issuer shall cause written notice thereof to be mailed to the Owners of the Series of Bonds secured by such delinquent Special Assessments. Not less than thirty (30) days prior to the proposed sale of any lot or tract of land acquired by foreclosure by the Issuer, it shall give written notice thereof to such Owners. The Issuer, either through its own actions or actions caused to be done through the Trustee, agrees that it shall be required to take the measure provided by law for sale of property acquired by it as trustee for the Owners within thirty (30) days after the receipt of the request therefor signed by the Majority Owners of all Outstanding Bonds of the Series payable from Special Assessments assessed on such property.

**SECTION 9.07. BOOKS AND RECORDS WITH RESPECT TO SPECIAL ASSESSMENTS.** In addition to the books and records required to be kept by the Issuer pursuant to the provisions of Section 9.17 hereof, the Issuer shall keep books and records for the collection of the Special Assessments on the District Lands, which such books, records and accounts shall be kept separate and apart from all other books, records and accounts of the Issuer. The District Manager or the District Manager's designee, at the end of each Fiscal Year, shall prepare a written report setting forth the collections received, the number and amount of delinquencies, the proceedings taken to enforce collections and cure delinquencies and an estimate of time for the conclusion of such legal proceedings. A copy of such report shall, upon written request, be mailed by the Issuer to any Owner.

**SECTION 9.08. REMOVAL OF SPECIAL ASSESSMENT LIENS.** Except as otherwise provided in a Supplemental Indenture with respect to a related Series of Bonds the following procedures shall apply in connection with the removal of Special Assessment liens.

(a) At any time from the date of levy of Special Assessments on a parcel of District Lands through the date that is thirty (30) days after the related Project has been completed and the Board of the Issuer has adopted a resolution accepting such Project as provided by Section 170.09, Florida Statutes, as amended, any owner of property subject to the Special Assessments may, at its option, require the Issuer to release and extinguish the lien upon its property by virtue of the levy of the Special Assessments that relate to a Series of Bonds by paying to the Issuer the

entire amount of such Special Assessment on such property, without interest. The Issuer may require all landowners to waive such right.

(b) At any time subsequent to thirty (30) days after the related Project has been completed and the Board of the Issuer has adopted a resolution accepting such Project as provided by Section 170.09, Florida Statutes, as amended, any owner of property subject to the Special Assessments may, at its option, require the Issuer to release and extinguish the lien upon its property by virtue of the levy of the Special Assessments by paying to the Issuer the entire amount of the Special Assessment, plus accrued interest to the next succeeding Interest Payment Date (or the second succeeding Interest Payment Date if such prepayment is made within forty (40) calendar days before an Interest Payment Date), attributable to the property subject to Special Assessment owned by such owner. The Issuer may require all landowners to waive such right, or to limit the number of prepayments that may be made.

(c) Upon receipt of a prepayment as described in (a) or (b) above, the Issuer shall immediately pay the amount so received to the Trustee, and the Issuer shall take such action as is necessary to record in the official records of the County an affidavit or affidavits, as the case may be, executed by an authorized officer of the Issuer, to the effect that the Special Assessment has been paid and that such Special Assessment lien is thereby released and extinguished. Except as otherwise provided by a Supplemental Indenture, upon receipt of any such moneys from the Issuer the Trustee shall immediately deposit the same into the applicable Series Bond Redemption Fund to be applied to the redemption of Bonds in accordance with Section 8.01(b)(i) or (ii) hereof, as the case may be.

**SECTION 9.09. DEPOSIT OF SPECIAL ASSESSMENTS.** The Issuer covenants to cause any Special Assessments collected or otherwise received by it to be deposited with the Trustee within five (5) Business Days after receipt thereof for deposit into the applicable Series Account of the Revenue Fund (except that amounts received as prepayments of Special Assessments shall be designated by the Issuer in writing as such upon delivery to the Trustee and shall be deposited directly into the related Series Bond Redemption Fund).

**SECTION 9.10. CONSTRUCTION TO BE ON ISSUER LANDS.** Except for certain off site mitigation, roadway, utility connections, landscaping improvements or additional improvements required by the County pursuant to Interlocal Agreement or other applicable law which are or may be outside the District Lands and are required in order for the District Lands to be developed, the Issuer covenants that no part of a Project will be constructed on, over or under lands other than (i) lands good and marketable title to which is owned by the Issuer or other appropriate entity in fee simple, (ii) lands on, over or under which the Issuer or other appropriate entity shall have acquired perpetual easements for the purposes of the Project, or (iii) lands, including public streets and highways, the right to the use and occupancy of which for such purposes shall be vested in the Issuer or other appropriate entity by law or by valid franchises, licenses, easements or rights of way or other legally effective permissions or approval.

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**SECTION 9.11. OPERATION, USE AND MAINTENANCE OF PROJECT.** The Issuer shall establish and enforce reasonable rules and regulations governing the use of a Project owned by the Issuer, and the operation thereof, such rules and regulations to be adopted in accordance with the Act, and the Issuer shall operate, use and maintain the Project owned by the Issuer in accordance with the Act and all other applicable federal and State laws, rules and regulations; the Issuer shall maintain and operate the Project owned by the Issuer in an efficient and economical manner, shall at all times maintain the same in good repair and in sound operating condition and shall make all necessary repairs, renewals and replacements.

**SECTION 9.12. OBSERVANCE OF AND COMPLIANCE WITH VALID REQUIREMENTS.** The Issuer shall pay all municipal or governmental charges lawfully levied or assessed upon the Capital Improvement Program or any part thereof or upon any revenues when the same shall become due, and the Issuer shall duly observe and comply with all valid requirements of any municipal or governmental authority relative to the Capital Improvement Program. The Issuer shall not, except as otherwise permitted in Section 9.24 of this Article, create or suffer to be created any lien or charge upon any Project or upon Pledged Revenues, except the lien and charge of the Bonds on the Pledged Revenues.

**SECTION 9.13. PAYMENT OF OPERATING OR MAINTENANCE COSTS BY STATE OR OTHERS.** The Issuer may permit the United States of America, the State, or any of their agencies, departments or political subdivisions to pay all or any part of the cost of maintaining, repairing and operating any Project out of funds other than Pledged Revenues.

**SECTION 9.14. PUBLIC LIABILITY AND PROPERTY DAMAGE INSURANCE; MAINTENANCE OF INSURANCE; USE OF INSURANCE AND CONDEMNATION PROCEEDS.**

(a) Except as otherwise provided in subsection (d) of this Section, the Issuer will carry or cause to be carried, in respect of any Project, comprehensive general liability insurance (covering bodily injury and property damage) issued by one or more insurance companies authorized and qualified to do business under the laws of the State, in such amounts as is customary for similar operations, or as is more specifically set forth hereinbelow.

(b) At all times, to the extent commercially available, the Issuer shall maintain a practical insurance program, with reasonable terms, conditions, provisions and costs which the District Manager determines will afford adequate protection against loss caused by damage to or destruction of any component of any Project owned by the Issuer. Limits for such coverage will be subject to the Consulting Engineer's recommendations which are to be provided in an annual report, as required by Section 9.21 hereof. The Issuer shall also, at all times, maintain a practical comprehensive general liability insurance program with respect to such Project for such coverage, with such reasonable terms, conditions, provisions and costs as the District Manager determines will afford adequate protection against bodily injury and property damage.

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Insurance" means insurance maintained through a program of self insurance or insurance maintained with a company or association in which the Issuer has a material interest or of which the Issuer has control, either singly or with others.

Prior to participation in any plan of Qualified Self Insurance not currently in effect, the Issuer shall obtain from the District Manager an evaluation of the proposed plan together with an opinion to the effect that (A) the proposed Qualified Self Insurance plan will provide the coverage required by subsections (a) and (b) of this Section, and (B) the proposed Qualified Self Insurance plan provides for the creation of actuarially sound reserves. The Trustee shall have no duty to review such evaluation.

Each plan of Qualified Self Insurance shall be in written form, shall provide that upon the termination of such plan reserves will be established or insurance acquired in amounts adequate to cover any potential retained liability in respect of the period of self insurance, and shall be reviewed annually by the District Manager or registered actuary who shall deliver to the Issuer a report on the adequacy of the reserves established thereunder in light of claims made. If the District Manager or registered actuary determines that such reserves are inadequate in light of the claims made, he shall make recommendations as to the amount of reserves that should be established and maintained, and the Issuer shall comply with such recommendations. The Trustee shall be under no duty to evaluate the accuracy or sufficiency of any Qualified Self Insurance plan nor determine compliance by the Issuer with the requirements of this Section.

(e) Copies of all recommendations and approvals made by the Consulting Engineer under the provisions of this Section shall be filed with the District Manager.

Within the first six (6) months of each Fiscal Year, the District Manager shall prepare a complete report of the status of the insurance coverages relating to all Projects, such report to include, without being limited thereto, a schedule of all insurance policies required by the Indenture which are then in effect, stating with respect to each policy the name of the insurer, the amount, number and expiration date, and the hazards and the risks covered thereby. The Issuer shall maintain a copy of such report and shall, upon written request, provide a copy to any Owner.

**SECTION 9.15. COLLECTION OF INSURANCE PROCEEDS.** Copies of all insurance policies referred to in Section 9.14 of this Article shall be available at the offices of the Issuer at all reasonable times to the inspection of the Holders of \$1,000,000 or more in aggregate principal amount of the related Series of Bonds and their agents and representatives duly authorized in writing. The Issuer covenants that it will take such action as may be reasonably necessary to demand, collect and sue for any insurance money which may become due and payable under any policy of insurance required under the Indenture, whether such policy is payable to the Issuer or to the Trustee. The Trustee is hereby authorized in its own name to demand, collect, sue and receive any insurance money which may become due and payable under any policies payable to it, subject to the payment of its and its counsel's fees and expenses and indemnification to its satisfaction.

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All insurance policies of the Issuer relating to any Project shall be carried with companies authorized to do business in the State, with a Best rating of no less than "A" as to management and Class "V" as to financial strength; provided, however, that if, in the opinion of the District Manager, adequate insurance protection under reasonable terms, conditions, provisions and cost cannot be purchased from an insurance company with the above-designated ratings, then the District Manager, on behalf of the Issuer, may secure such insurance protection as the Issuer determines to be in its best interests and otherwise consistent with the Indenture; provided further, however, that the Issuer may act as a self-insurer in accordance with the requirements of subsection (d) hereof. All policies providing the insurance coverages required by this Section shall designate the Issuer as the loss-payee and shall be made payable to the Issuer.

(c) All proceeds received from property damage or destruction insurance and all proceeds received from the condemnation of a Project or any part thereof are hereby pledged by the Issuer as security for the related Series of Bonds and shall be deposited at the option of the Issuer, but subject to the limitations hereinafter described, either (i) into a separate fund to be established by the Trustee for such purpose, and used to remedy the loss, damage or taking for which such proceeds are received, either by repairing the damaged property or replacing the destroyed or taken property, as soon as practicable after the receipt of such proceeds, or (ii) into the related Series Bond Redemption Fund for the purpose of purchasing or redeeming Bonds according to the provisions set forth in Article VIII hereof. The Issuer shall not be entitled to deposit insurance proceeds or condemnation awards into the separate fund described above in clause (i) of this paragraph (and such proceeds and awards shall be deposited directly into the related Series Bond Redemption Fund pursuant to clause (ii) of this paragraph) unless there shall have been filed with the Issuer within a reasonable time after the damage, destruction or condemnation (A) a certificate from the Consulting Engineer that the proceeds of the insurance or condemnation awards deposited into such separate fund, together with other funds available for such purposes, will be sufficient to repair, rebuild, replace or restore such property to substantially the same condition as it was in prior to its damage, destruction or condemnation (taking into consideration any changes, alterations and modifications that the Issuer may desire), (B) an opinion from the Consulting Engineer that the Project can be repaired, rebuilt, replaced or restored within two (2) years following the damage, destruction or condemnation thereof and (C) an opinion of the Consulting Engineer that, in each of the three (3) Fiscal Years following completion of such repair, rebuilding, replacement or restoration, the Issuer will be in compliance with its obligations hereunder. If the certificate described in clause (A) of this paragraph is not rendered because such proceeds or awards are insufficient for such purposes, the Issuer may deposit any other legally available funds in such separate fund in an amount required to enable the Consulting Engineer to render its certificate. If the insurance proceeds or condemnation awards deposited in such separate fund are more than sufficient to repair the damaged property or to replace the destroyed or taken property, the balance thereof remaining shall be deposited to the credit of the related Series Account in the Revenue Fund.

(d) The Issuer shall be entitled to provide all or a portion of the insurance coverage required by subsections (a) and (b) of this Section through Qualified Self Insurance, provided that the requirements hereinafter set forth in this subsection (d) are satisfied. "Qualified Self

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Any appraisal or adjustment of any loss or damage under any policy of insurance required under the Indenture, whether such policy is payable to the Issuer or to the Trustee, and any settlement or payment of indemnity under any such policy which may be agreed upon by the Issuer and any insurer shall be evidenced by a certificate, signed by the District Manager approved by the Consulting Engineer. The Trustee shall in no way be liable or responsible for the collection of insurance moneys in case of any loss or damage.

**SECTION 9.16. USE OF REVENUES FOR AUTHORIZED PURPOSES ONLY.** None of the Pledged Revenues shall be used for any purpose other than as provided in the Indenture and no contract or contracts shall be entered into or any action taken by the Issuer or the Trustee which will be inconsistent with the provisions of the Indenture.

**SECTION 9.17. BOOKS, RECORDS AND ANNUAL REPORTS.** The Issuer shall keep proper books of record and account in accordance with Generally Accepted Governmental Accounting Principles (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to any Project, and which, together with all other books and records of the Issuer, including, without limitation, insurance policies, relating to any Project, shall at all times be subject during regular business hours to the inspection of the Trustee.

**SECTION 9.18. OBSERVANCE OF ACCOUNTING STANDARDS.** The Issuer covenants that all the accounts and records of the Issuer relating to any Project will be kept according to Generally Accepted Governmental Accounting Principles consistently applied and consistent with the provisions of the Indenture.

**SECTION 9.19. EMPLOYMENT OF CERTIFIED PUBLIC ACCOUNTANT.** The Issuer shall employ or cause to be employed as required a Certified Public Accountant to perform accounting and auditing functions and duties required by the Act and the Indenture.

**SECTION 9.20. ESTABLISHMENT OF FISCAL YEAR, ANNUAL BUDGET.** The Issuer has established a Fiscal Year beginning October 1 of each year and ending September 30 of the following year. The reports and budget of the Issuer shall relate to such Fiscal Year unless and until, in accordance with applicable law, a different Fiscal Year is established by Certified Resolution of the Issuer.

On or before the first day of each Fiscal Year the Issuer shall adopt a final Annual Budget for such Fiscal Year for the payment of anticipated operating and maintenance expenses and shall supply a copy of such budget promptly upon the approval thereof to any Bondholders who shall have so requested in writing and shall have filed their names and addresses with the Secretary of the Board for such purpose. If for any reason the Issuer shall not have adopted the Annual Budget on or before the first day of any Fiscal Year, the Annual Budget for the preceding Fiscal Year shall, until the adoption of the new Annual Budget, be deemed in force for the ensuing Fiscal Year. The Issuer may at any time adopt an amended or supplemental Annual Budget for the remainder of the current Fiscal Year, and when such amended or supplemental Annual Budget is approved it

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shall be treated as the official Annual Budget under the Indenture. Copies of such amended or supplemental Annual Budget shall be mailed by the Issuer to any Bondholders who shall have so requested in writing and shall have filed their names and addresses with the Secretary of the Board for such purpose.

**SECTION 9.21. EMPLOYMENT OF CONSULTING ENGINEER; CONSULTING ENGINEER'S REPORT.**

(a) The Issuer shall, for the purpose of performing and carrying out the duties imposed on the Consulting Engineer by the Indenture, employ one or more Independent engineers or engineering firms or corporations having a statewide and favorable repute for skill and experience in such work.

(b) The Issuer shall cause the Consulting Engineer to make an inspection of the portions of the Capital Improvement Program owned by the Issuer at least once in each Fiscal Year and, on or before the first day of July in each Fiscal Year, to submit to the Board a report setting forth (i) its findings as to whether such portions of the Capital Improvement Program owned by the Issuer have been maintained in good repair, working order and condition, and (ii) its recommendations as to:

(1) the proper maintenance, repair and operation of any Project owned by the Issuer during the ensuing Fiscal Year and an estimate of the amount of money necessary for such purposes; and

(2) the insurance to be carried under the provisions of Section 9.14 hereof and the amount that should be set aside monthly for the purpose of paying insurance premiums which fall due less often than monthly.

Promptly after the receipt of such reports by the Issuer, copies thereof shall be mailed by the Issuer to all Bondholders who shall have filed their names and addresses with the Secretary of the Board for such purpose.

**SECTION 9.22. AUDIT REPORTS.** The Issuer covenants that, no later than the date required by State law, which is currently nine (9) months after the end of each Fiscal Year, it will cause an audit to be made by a Certified Public Accountant covering all receipts and moneys then on deposit with or in the name of the Trustee or the Issuer and any security held therefor and any investments thereof. Copies of such audit reports shall be filed with the District Manager and the Secretary of the Board, and mailed by said Secretary to the Consulting Engineer and to all Bondholders who shall have filed their names and addresses with him for such purpose. If the material required to be in such audit also appears in the annual report of the Issuer provided for in Section 9.17 hereof in a manner that can be readily identified, then the filing of a copy of such annual audit shall satisfy the requirement of this Section.

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**SECTION 9.27. COMPLIANCE WITH OTHER CONTRACTS AND AGREEMENTS.** The Issuer shall comply with and abide by all of the terms and conditions of any and all contracts and agreements which the Issuer enters into in connection with the Capital Improvement Program and the issuance of the Bonds.

**SECTION 9.28. ISSUANCE OF ADDITIONAL OBLIGATIONS.** The Issuer shall not issue any obligations other than the Bonds payable from Pledged Revenues, nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge, payable from Pledged Revenues except as provided in Section 6.01 hereof with respect to the reimbursement due any Credit Facility Issuer.

**SECTION 9.29. EXTENSION OF TIME FOR PAYMENT OF INTEREST PROHIBITED.** The Issuer shall not directly or indirectly extend or assent to an extension of time for payment of any claim for interest on any of the Bonds and shall not directly or indirectly be a party to or approve any arrangement thereof by purchasing or funding or in any manner keeping alive any such claim for interest; no claim for interest which in any way, at or after maturity, shall have been transferred or pledged apart from the Bonds to which it relates or which shall in any manner have been kept alive after maturity by extension or by purchase thereof by or on behalf of the Issuer, shall be entitled, in case of a default hereunder, to any benefit or security under the Indenture except after the prior payment in full of the principal of all Bonds and claims for interest appertaining thereto not so transferred, pledged, kept alive or extended.

**SECTION 9.30. FURTHER ASSURANCES.** The Issuer shall not enter into any contract or take any action by which the rights of the Trustee or the Bondholders may be impaired and shall, from time to time, execute and deliver such further instruments and take such further action as may be required to carry out the purposes of the Indenture.

**SECTION 9.31. USE OF BOND PROCEEDS TO COMPLY WITH INTERNAL REVENUE CODE.** The Issuer covenants to the Holders of the Bonds that it will not make or direct the making of any investment or other use of the proceeds of any Bonds issued hereunder which would cause such Bonds to be "arbitrage bonds" as that term is defined in Section 148 (or any successor provision thereto) of the Code or "private activity bonds" as that term is defined in Section 141 (or any successor provision thereto) of the Code, and that it will comply with the requirements of such Code section and related regulations throughout the term of such Bonds. The Issuer hereby further covenants and agrees to comply with the procedures and covenants contained in any arbitrage rebate agreement executed in connection with the issuance of each Series of Bonds for so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of interest on each Series of Bonds.

**SECTION 9.32. CORPORATE EXISTENCE AND MAINTENANCE OF PROPERTIES.** For so long as any Bonds are Outstanding hereunder, unless otherwise provided by the Act, the Issuer shall maintain its corporate existence as a local unit of special purpose government under the Act and shall provide for or otherwise require the Capital Improvement Program, and all parts thereof owned by the Issuer to be (a) continuously operated, repaired,

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**SECTION 9.23. [RESERVED].**

**SECTION 9.24. COVENANT AGAINST SALE OR ENCUMBRANCE; EXCEPTIONS.**

Subject to Section 9.28 hereof, the Issuer covenants that, (a) except for those improvements comprising the Capital Improvement Program that are to be conveyed by the Issuer to the County, the State, or another governmental entity and (b) except as in this Section permitted, it will not sell, lease or otherwise dispose of or encumber the Capital Improvement Program, or any part thereof. The Issuer may, however, from time to time, sell any machinery, fixtures, apparatus, tools, instruments or other movable property acquired by it from the proceeds of a Series of Bonds or from Pledged Revenues if the District Manager shall determine, with the approval of the Consulting Engineer, that such items are no longer needed or are no longer useful in connection with the construction, maintenance and operation of the Project financed with such Series of Bonds, and the proceeds thereof shall be applied to the replacement of the properties so sold or disposed of or, at the written direction of the Issuer shall be deposited to the credit of the related Series Account in the Revenue Fund.

Upon any sale of property relating to a Project, the aggregate of which in any thirty (30) day period exceeds Fifty Thousand Dollars (\$50,000) under the provisions of this Section, the Issuer shall provide written notice to the Trustee of the property so sold and the amount and disposition of the proceeds thereof.

The Issuer may lease or grant easements, franchises or concessions for the use of any part of the Capital Improvement Program not incompatible with the maintenance and operation thereof, if the Consulting Engineer shall approve such lease, easement, franchise or concession in writing, and the net proceeds of any such lease, easement, franchise or concession (after the making of provision for payment from said proceeds of all costs incurred in financing, constructing, operating, maintaining or repairing such leases, easements, franchises or concessions) shall be deposited as received to the credit of related Series Account in the Revenue Fund.

**SECTION 9.25. FIDELITY BONDS.** Every officer, agent or employee of the Issuer having custody or control of any of the Pledged Revenues shall be bonded by a responsible corporate surety in an amount not less than the greatest amount reasonably anticipated to be within the custody or control of such officer, agent or employee at one time. The premiums on such surety bonds shall be paid by the Issuer as an expense of operation and maintenance of a Project.

**SECTION 9.26. NO LOSS OF LIEN ON PLEDGED REVENUES.** The Issuer shall not do or omit to do, or suffer to be done or omitted to be done, any matter or thing whatsoever whereby the lien of the Bonds on the Pledged Revenues or any part thereof, or the priority thereof, would be lost or impaired; provided, however, that this Section shall not prohibit the Trustee from transferring moneys to the Rebate Fund held by the Trustee under any arbitrage rebate agreement.

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improved and maintained as shall be necessary to provide adequate service to the lands benefited thereby; and (b) in compliance with all valid and applicable laws, acts, rules, regulations, permits, orders, requirements and directions of any competent public authority.

**SECTION 9.33. CONTINUING DISCLOSURE.** The Issuer hereby covenants and agrees that it will comply with and carry out all of the provisions of a Continuing Disclosure Agreement. Notwithstanding any other provision of the Indenture, failure of the Issuer or the Developer(s) (if obligated pursuant to a Continuing Disclosure Agreement) to comply with such Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee may (and, at the request of any participating underwriter or the Majority Owners of a Series of Bonds and receipt of indemnity to its satisfaction, shall) or any Holder of the Bonds or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Issuer to comply with its obligations under this Section 9.33.

**SECTION 9.34. PROVISIONS RELATING TO BANKRUPTCY OR INSOLVENCY OF LANDOWNER.** The provisions of this Section 9.34 shall apply both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any owner of any tax parcel subject to at least five percent (5%) of the Special Assessments securing a Series of Bonds (an "Insolvent Taxpayer") under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, assignment for the benefit of creditors, or relief of debtors (a "Proceeding"), except where such tax parcel shall be homestead property. For as long as any Series of Bonds remain outstanding, in any Proceeding involving the Issuer, any Insolvent Taxpayer, any Series of Bonds or any Special Assessments securing a Series of Bonds, the Issuer shall be obligated to act in accordance with direction from the Trustee with regard to all matters directly or indirectly affecting the Series of Bonds or for as long as any such Series of Bonds remain Outstanding.

The Issuer further acknowledges and agrees that, although a Series of Bonds may be issued by the Issuer, the Owners of the Series of Bonds are categorically a party with a financial stake in the transaction and, consequently, a party with a vested interest in a Proceeding. In the event of any Proceeding involving any Insolvent Taxpayer:

(a) the Issuer hereby agrees that it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Special Assessments securing a Series of Bonds, such Series of Bonds or any rights of the Trustee under the Indenture that is inconsistent with any direction from the Trustee; provided, however, that the Trustee shall be deemed to have consented, on behalf of the Majority Owners of Outstanding Bonds of a Series, to the proposed action if the Issuer does not receive a written response from the Trustee within forty-five (45) days following request for consent;

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ARTICLE X

EVENTS OF DEFAULT AND REMEDIES

(b) the Trustee shall have the right, but is not obligated to (unless directed by the Majority Owners of Outstanding Bonds of a Series and receipt by Trustee of indemnity satisfactory to the Trustee), (i) vote in any such Proceeding and all claims of the Issuer, except for any claims the Issuer may have related to the Issuer's operation and maintenance assessments or other claims unrelated to the Special Assessments securing a Series of Bonds or such Series of Bonds and (ii) file any motion, pleading, plan or objection in any such Proceeding on behalf of the Issuer, except for any claims the Issuer may have related to the Issuer's operation and maintenance assessments or other claims unrelated to the Special Assessments securing a Series of Bonds or such Series of Bonds, including without limitation, motions seeking relief from the automatic stay, dismissal of the Proceeding, valuation of the property belonging to the Insolvent Taxpayer, termination of exclusivity, and objections to disclosure statements, plans of liquidation or reorganization, and motions for use of cash collateral, seeking approval of sales or post-petition financing; and, if the Trustee chooses to exercise any such rights (or is directed in writing by the Majority Owners of Outstanding Bonds of a Series and receipt by Trustee of indemnity satisfactory to the Trustee), the Issuer shall be deemed to have appointed the Trustee as its agent and granted to the Trustee an irrevocable power of attorney coupled with an interest, and its proxy, for the purpose of exercising any and all rights and taking any and all actions available to the Issuer in connection with any Proceeding of any Insolvent Taxpayer, including, without limitation, the right to file and/or prosecute any claims, to propose and prosecute a plan, to vote to accept or reject a plan, and to make any election under Section 1111(b) of the United States Bankruptcy Code; and

(c) the Issuer shall not challenge the validity or amount of any claim submitted in such Proceeding by the Trustee in good faith or any valuations of the lands owned by any Insolvent Taxpayer submitted by the Trustee in good faith in such Proceeding or take any other action in such Proceeding, which is adverse to the Trustee's enforcement of the Issuer claim with respect to the Special Assessments securing a Series of Bonds or receipt of adequate protection (as that term is defined in the United States Bankruptcy Code).

Without limiting the generality of the foregoing, the Issuer agrees that the Trustee shall have the right (i) to file a proof of claim with respect to the Special Assessments securing a Series of Bonds, (ii) to deliver to the Issuer a copy thereof, together with evidence of the filing with the appropriate court or other authority, and (iii) to defend any objection filed to said proof of claim.

Notwithstanding the provisions of paragraph (a) above, nothing in this Section 9.34 shall preclude the Issuer from becoming a party to a Proceeding in order to enforce a claim for operation and maintenance assessments, and the Issuer shall be free to pursue such a claim in such manner as it shall deem appropriate in its sole and absolute discretion. Any actions taken by the Issuer in pursuance of its claim for operation and maintenance assessments in any Proceeding shall not be considered an action adverse or inconsistent with the Trustee's rights or directions with respect to the Special Assessments securing a Series of Bonds whether such claim is pursued by the Issuer or the Trustee.

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the terms of said Credit Facility, to the extent said notice or failure is established as an event of default under the terms of a Supplemental Indenture;

(g) The Trustee withdraws more than twenty-five percent (25%) of the available funds from a Series Account of the Debt Service Reserve Fund established to pay Debt Service Requirements for a Series of Bonds and such amount is not replenished within twelve (12) months of the date of withdrawal (including from collections of delinquent Special Assessments); or

(h) More than twenty-five percent (25%) of the operation and maintenance assessments levied and collected directly by the Issuer on District Lands subject to the Special Assessments securing such Series of Bonds are not paid within ninety (90) days of the date such are due and payable ("Delinquent Direct Billed Operation and Maintenance Assessments").

An Event of Default with respect to a Series of Bonds shall not be an Event of Default as to any other Series of Bonds, unless otherwise provided in a Supplemental Indenture.

**SECTION 10.03. NO ACCELERATION.** No Series of Bonds issued under this Master Indenture shall be subject to acceleration.

**SECTION 10.04. LEGAL PROCEEDINGS BY TRUSTEE.** If any Event of Default with respect to a Series of Bonds has occurred and is continuing, the Trustee, in its discretion may, and upon the written request of the Majority Owners of the Outstanding Bonds of such Series and receipt of indemnity to its satisfaction shall, in its capacity as Trustee:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Holders of the Bonds of such Series, including, without limitation, the right to require the Issuer to carry out any agreements with, or for the benefit of, the Bondholders of the Bonds of such Series and to perform its or their duties under the Act;

(b) bring suit upon the Series of Bonds;

(c) by action or suit in equity require the Issuer to account as if it were the trustee of an express trust for the Holders of the Bonds of such Series;

(d) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Bonds of such Series; and

(e) by other proceeding in law or equity, exercise all rights and remedies provided for by any other document or instrument securing such Series of Bonds.

**SECTION 10.05. DISCONTINUANCE OF PROCEEDINGS BY TRUSTEE.** If any proceeding taken by the Trustee on account of any Event of Default is discontinued or is determined adversely to the Trustee, the Issuer, the Trustee, the Paying Agent and the Bondholders shall be restored to their former positions and rights hereunder as though no such proceeding had been taken.

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**SECTION 10.01. EVENTS OF DEFAULT AND REMEDIES.** Except to the extent otherwise provided in the Supplemental Indenture authorizing a Series of Bonds, events of default and remedies with respect to each Series of Bonds shall be as set forth in this Master Indenture.

**SECTION 10.02. EVENTS OF DEFAULT DEFINED.** Each of the following shall be an "Event of Default" under the Indenture, with respect to a Series of Bonds:

(a) if payment of any installment of interest on any Bond of such Series is not made when it becomes due and payable; or

(b) if payment of the principal or Redemption Price of any Bond of such Series is not made when it becomes due and payable at maturity or upon call or presentation for redemption; or

(c) if the Issuer, for any reason, fails to, or is rendered incapable of fulfilling its obligations under the Indenture or under the Act; or

(d) if the Issuer proposes or makes an assignment for the benefit of creditors or enters into a composition agreement with all or a material part of its creditors, or a trustee, receiver, executor, conservator, liquidator, sequestrator or other judicial representative, similar or dissimilar, is appointed for the Issuer or any of its assets or revenues, or there is commenced any proceeding in liquidation, bankruptcy, reorganization, arrangement of debts, debtor rehabilitation, creditor adjustment or insolvency, local, state or federal, by or against the Issuer and if such is not vacated, dismissed or stayed on appeal within ninety (90) days; or

(e) if the Issuer defaults in the due and punctual performance of any other covenant in the Indenture or in any Bond of such Series issued pursuant to the Indenture and such default continues for sixty (60) days after written notice thereof that requires the same to be remedied shall have been given to the Issuer by the Trustee, which notice may be given by the Trustee in its discretion and which notice shall be given by the Trustee at the written request of the Majority Owners of the Bonds of such Series; provided, however, that if such performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such sixty (60) day period, no Event of Default shall be deemed to have occurred or exist if, and so long as the Issuer shall commence such performance within such sixty (60) day period and shall diligently and continuously prosecute the same to completion;

(f) written notice shall have been received by the Trustee from a Credit Facility Issuer securing Bonds of such Series that an event of default has occurred under the Credit Facility Agreement, or there shall have been a failure by said Credit Facility Issuer to make said Credit Facility available or to reinstate the interest component of said Credit Facility in accordance with

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**SECTION 10.06. BONDHOLDERS MAY DIRECT PROCEEDINGS.** The Majority Owners of the Outstanding Bonds of a Series then subject to remedial proceedings under this Article X shall have the right to direct the method and place of conducting all remedial proceedings by the Trustee under the Indenture, provided that such directions shall not be otherwise than in accordance with law or the provisions of the Indenture.

**SECTION 10.07. LIMITATIONS ON ACTIONS BY BONDHOLDERS.** No Bondholder shall have any right to pursue any remedy hereunder unless (a) the Trustee shall have been given written notice of an Event of Default, (b) the Majority Owners of the Outstanding Bonds of the applicable Series shall have requested the Trustee, in writing, to exercise the powers hereinabove granted or to pursue such remedy in its or their name or names, (c) the Trustee shall have been offered indemnity satisfactory to it against costs, expenses and liabilities (including reasonable counsel fees, costs and expenses), and (d) the Trustee shall have failed to comply with such request within a reasonable time.

**SECTION 10.08. TRUSTEE MAY ENFORCE RIGHTS WITHOUT POSSESSION OF BONDS.** All rights under the Indenture and a Series of Bonds may be enforced by the Trustee without the possession of any of the Bonds of such Series or the production thereof at the trial or other proceedings relative thereto, and any proceeding instituted by the Trustee shall be brought in its name for the ratable benefit of the Holders of the Bonds of such Series.

**SECTION 10.09. REMEDIES NOT EXCLUSIVE.** Except as limited under Section 15.01 of this Master Indenture, no remedy contained in the Indenture is intended to be exclusive of any other remedy or remedies, and each remedy is in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

**SECTION 10.10. DELAYS AND OMISSIONS NOT TO IMPAIR RIGHTS.** No delay or omission in respect of exercising any right or power accruing upon any Event of Default shall impair such right or power or be a waiver of such Event of Default, and every remedy given by this Article X may be exercised from time to time and as often as may be deemed expedient.

**SECTION 10.11. APPLICATION OF MONEYS IN EVENT OF DEFAULT.** Any moneys received by the Trustee or the Paying Agent, as the case may be, in connection with any proceedings brought under this Article X with respect to a Series of Bonds shall be applied in the following priority:

(a) to the payment of the costs of the Trustee, the Registrar and Paying Agent incurred in connection with actions taken under this Article X with respect to such Series of Bonds, including reasonable counsel fees, costs and expenses and any disbursements of the Trustee, the Registrar and the Paying Agent and payment of unpaid fees and expenses owed to the Trustee, the Registrar and the Paying Agent.

(b) unless the principal of all the Bonds of such Series shall have become due and payable:

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FIRST: to payment of all installments of interest then due on the Bonds of such Series in the order of maturity of such installments of interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any preference or priority of one installment of interest over any other installment; and

SECOND: to payment to the persons entitled thereto of the unpaid principal or Redemption Price of any of the Bonds of such Series which shall have become due in the order of their due dates, with interest on such Bonds from the respective dates upon which they become due and, if the amount available shall not be sufficient to pay in full the principal or Redemption Price coming due on such Bonds on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any preference or priority of one such Bond of a Series over another or of any installment of interest over another.

(c) If the principal of all Bonds of a Series shall have become due and payable, to the payment of principal or Redemption Price (as the case may be) and interest then owing on the Bonds of such Series and in case such moneys shall be insufficient to pay the same in full, then to the payment of principal or Redemption Price and interest ratably, without preference or priority of one Bond of such Series over another or of any installment of interest over any other installment of interest.

Any surplus remaining after the payments described above shall be paid to the Issuer or to the Person lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

For purposes of the application of moneys described above, to the extent payments of principal of and interest on a Series of Bonds shall have been made under a Credit Facility relating thereto, the Credit Facility Issuer shall be entitled to moneys in the related Series Accounts in the Debt Service Fund in accordance with the agreement pursuant to which such Credit Facility has been issued (but subject to subsection (a) hereof and Section 11.04 hereof) and the Certified Resolution of the Issuer authorizing the issuance of such Bonds to which such Credit Facility relates.

#### **SECTION 10.12. TRUSTEE'S RIGHT TO RECEIVER; COMPLIANCE WITH ACT.**

The Trustee shall be entitled as of right to the appointment of a receiver and the Trustee, the Bondholders and any receiver so appointed shall have such rights and powers and be subject to such limitations and restrictions as are contained in the Act and other applicable law of the State. When the Trustee incurs costs or expenses (including legal fees, costs and expenses) or renders services after the occurrence of an Event of Default, such costs and expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

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### **ARTICLE XI THE TRUSTEE; THE PAYING AGENT AND REGISTRAR**

**SECTION 11.01. ACCEPTANCE OF TRUST.** The Trustee accepts and agrees to execute the trusts hereby created, but only upon the additional terms set forth in this Article XI, to all of which the parties hereto, the Bondholders and any Credit Facility Issuer agree. The Trustee shall act as Trustee under this Indenture. Subject to the provisions of Section 11.03 hereof, the Trustee shall have only such duties as are expressly set forth herein, and no duties shall be implied on the part of the Trustee.

**SECTION 11.02. NO RESPONSIBILITY FOR RECITALS.** The recitals, statements and representations in this Master Indenture or in the Bonds, save only the Trustee's Certificate of Authentication, if any, upon the Bonds, have been made by the Issuer and not by the Trustee and the Trustee shall be under no responsibility for the correctness thereof.

**SECTION 11.03. TRUSTEE MAY ACT THROUGH AGENTS; ANSWERABLE ONLY FOR WILLFUL MISCONDUCT OR NEGLIGENCE.** The Trustee may execute any powers hereunder and perform any duties required of it through attorneys, agents, officers or employees, and shall be entitled to advice of Counsel concerning all questions hereunder and the advice of such Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by the Trustee hereunder in good faith and reliance thereon. The Trustee shall not be answerable for the default or misconduct of any attorney or agent selected by it with reasonable care. The Trustee shall not be answerable for the exercise of any discretion or power under the Indenture nor for anything whatever in connection with the trust hereunder, except only its own negligence or willful misconduct or breach of its obligations hereunder.

The Trustee shall not be accountable for the use or application of any of the Bonds or the proceeds thereof or for the use or application of any money paid over by the Trustee so long as it does so in accordance with the provisions of this Master Indenture. The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds. None of the provisions of this Master Indenture shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it. The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Master Indenture arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Trustee shall use commercially reasonable

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**SECTION 10.13. TRUSTEE AND BONDHOLDERS ENTITLED TO ALL REMEDIES UNDER ACT.** It is the purpose of this Article to provide such remedies to the Trustee and Bondholders as may be lawfully granted under the provisions of the Act and other applicable laws of the State; if any remedy herein granted shall be held unlawful, the Trustee and the Bondholders shall nevertheless be entitled to every other remedy provided by the Act and other applicable laws of the State. It is further intended that, insofar as lawfully possible, the provisions of this Article X shall apply to and be binding upon any receiver appointed in accordance with Section 10.12 hereof.

**SECTION 10.14. CREDIT FACILITY ISSUER'S RIGHTS UPON EVENTS OF DEFAULT.** Anything in the Indenture to the contrary notwithstanding, if any Event of Default has occurred and is continuing while a Credit Facility securing all or a portion of such Bonds of a Series Outstanding is in effect, the Credit Facility Issuer shall have the right, in lieu of the Owners of the Series of Bonds (or portion thereof) secured by said Credit Facility, by an instrument in writing, executed and delivered to the Trustee, to direct the time, method and place of conducting all remedial proceedings available to the Trustee under the Indenture, or exercising any trust or power conferred on the Trustee by the Indenture. Said direction shall be controlling to the extent the direction of Owners of the Series of Bonds (or portion thereof) secured by said Credit Facility would have been controlling under this Article. If the Credit Facility Issuer shall be in default in the performance of its obligations under the Credit Facility, said Credit Facility Issuer shall have no rights under this Section.

**SECTION 10.15. ISSUER COVENANTS AFTER EVENT OF DEFAULT.** The Issuer covenants and agrees that upon the occurrence and continuance of an Event of Default, it will take such actions to enforce the remedial provisions of this Master Indenture and the applicable Supplemental Indenture, the provisions for the collection of delinquent Special Assessments, the provisions for the foreclosure of liens of delinquent Special Assessments, and will take such other appropriate remedial actions as shall be directed by the Trustee acting at the written direction of, and on behalf of, the Majority Owners, from time to time, of the applicable Series of Bonds. Notwithstanding anything to the contrary herein, and unless otherwise directed by the Majority Owners and allowed pursuant to Federal or State law, the Issuer acknowledges and agrees that (i) upon failure of any property owner to pay an installment of Special Assessments collected directly by the Issuer when due, that the entire Special Assessments related to the applicable Series of Bonds on the tax parcel as to which such delinquent Special Assessment pertains, with interest and penalties thereon, shall immediately become due and payable and the Issuer shall cause to be commenced the necessary legal proceedings for the foreclosure of liens of delinquent Special Assessments related to the applicable Series of Bonds with respect to such tax parcel, including interest and penalties and (ii) the foreclosure proceedings shall be prosecuted to a sale and conveyance of the property involved in said proceedings as now provided by law in suits to foreclose mortgages. Notwithstanding anything to the contrary herein, the Issuer shall be entitled to first recover from any foreclosure before such proceeds are applied to the payment of principal or interest on the Bonds, all fees and costs expended in connection with such foreclosure, regardless of whether such fees and costs are included as part of the Special Assessments, as defined herein.

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efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

**SECTION 11.04. COMPENSATION AND INDEMNITY.** The Issuer shall pay the Trustee reasonable compensation for its services hereunder, and also all its reasonable expenses and disbursements, and shall, to the extent permitted by law and specifically without waiving its sovereign immunity protection, indemnify and hold the Trustee harmless against any liabilities which it may incur in the proper exercise and performance of its powers and duties hereunder, except with respect to its own willful misconduct, negligence or breach of its obligations hereunder. If the Issuer defaults in respect of the foregoing obligations, the Trustee may deduct the amount owing to it from any moneys held by the Trustee, or coming into its hands and payable to the Issuer (but exclusive of the Rebate Fund and moneys from a drawing on any Credit Facility), which right of payment shall be prior to the right of the Holders of the Bonds. The provision for indemnity shall survive the termination of the Indenture and, as to any Trustee, its removal or resignation as Trustee. Notwithstanding anything herein to the contrary, no provision of this Master Indenture shall require the Trustee to expend or risk its own funds.

**SECTION 11.05. NO DUTY TO RENEW INSURANCE.** The Trustee shall be under no duty to effect or to renew any insurance policy nor shall it incur any liability for the failure of the Issuer to require or effect or renew insurance or to report or file claims of loss thereunder.

**SECTION 11.06. NOTICE OF DEFAULT; RIGHT TO INVESTIGATE.** The Trustee shall give written notice by Electronic Means or first-class mail to registered Holders of a Series of Bonds of all defaults known to the Trustee, unless such defaults have been remedied (the term "defaults" for purposes of this Section and Section 11.07 being defined to include the events specified as "Events of Default" in Article X hereof, but not including any notice or periods of grace provided for therein); provided that, except in the case of a default in payment of principal or interest or Redemption Price, the Trustee may withhold such notice so long as it in good faith determines that such withholding is in the interest of the Bondholders. The Trustee shall not be deemed to have notice of any default other than a payment default under the Indenture or a notification by a Credit Facility Issuer of a default under its Credit Facility, unless notified in writing of such default by the Majority Owners of the Outstanding Bonds of a Series. The Trustee may, however, at any time require of the Issuer full information as to the performance of any covenant hereunder, and if information satisfactory to it is not forthcoming, the Trustee may make or cause to be made, at the expense of the Issuer, an investigation into the affairs of the Issuer.

**SECTION 11.07. OBLIGATION TO ACT ON DEFAULTS.** The Trustee shall be under no obligation to take any action in respect of any default or otherwise, unless it is requested in writing to do so by the Majority Owners of the Outstanding Bonds which are or would be, upon the taking of such action, subject to remedial proceedings under Article X of this Master Indenture, and if in the Trustee's opinion such action may tend to involve expense or liability, unless it is also furnished with indemnity satisfactory to it. The Trustee shall have no responsibility for actions taken at the direction of the Majority Owners.

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**SECTION 11.08. RELIANCE BY TRUSTEE.** The Trustee may act on any requisition, resolution, notice, telegram, Electronic Means, facsimile transmission, request, consent, waiver, certificate, statement, affidavit, voucher, bond, or other paper or document which it in good faith believes to be genuine and to have been passed, signed or given by the persons purporting to be authorized (which in the case of the Issuer shall be a Responsible Officer) or to have been prepared and furnished pursuant to any of the provisions of the Indenture; the Trustee shall be under no duty to make any investigation as to any statement contained in any such instrument, but may accept the same as conclusive evidence of the accuracy of such statement.

**SECTION 11.09. TRUSTEE MAY DEAL IN BONDS.** The Trustee may in good faith buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Bondholders may be entitled to take with like effect as if the Trustee were not a party to the Indenture. The Trustee may also engage in or be interested in any financial or other transaction with the Issuer; provided, however, that if the Trustee determines that any such relation is in conflict with its duties under the Indenture, it shall eliminate the conflict or resign as Trustee.

**SECTION 11.10. CONSTRUCTION OF AMBIGUOUS PROVISIONS.** The Trustee may construe any ambiguous or inconsistent provisions of the Indenture, and except as otherwise provided in Article XIII of this Master Indenture, any construction by the Trustee shall be binding upon the Bondholders. The Trustee shall give prompt notice to the Issuer of any intention to make such construction.

**SECTION 11.11. RESIGNATION OF TRUSTEE.** The Trustee may resign and be discharged of the trusts created by the Indenture by written resignation filed with the Secretary of the Issuer not less than sixty (60) days before the date when such resignation is to take effect. Notice of such resignation shall be sent by Electronic Means or first-class mail to each Bondholder as its name and address appears on the Bond Register and to any Paying Agent if not also the Trustee, Registrar if not also the Trustee, Authenticating Agent and Credit Facility Issuer, if any, at least sixty (60) days before the resignation is to take effect. Such resignation shall take effect on the day specified in the Trustee's notice of resignation unless a successor Trustee is previously appointed, in which event the resignation shall take effect immediately on the appointment of such successor; provided, however, that notwithstanding the foregoing, such resignation shall not take effect until a successor Trustee has been appointed. If a successor Trustee has not been appointed within ninety (90) days after the Trustee has given its notice of resignation, the Trustee may petition any court of competent jurisdiction for the appointment of a temporary successor Trustee to serve as Trustee until a successor Trustee has been duly appointed. Notice of such resignation shall also be given to any rating agency that shall then have in effect a rating on any of the Bonds.

**SECTION 11.12. REMOVAL OF TRUSTEE.** The Trustee may be removed at any time by either (a) the Issuer, if no default exists under the Indenture, or (b) an instrument or concurrent instruments in writing, executed by the Majority Owners of the Bonds then Outstanding and filed with the Issuer. A photographic copy of any instrument or instruments filed with the Issuer under the provisions of this paragraph, duly certified by a Responsible Officer, shall be delivered

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to the contrary notwithstanding; provided, however, that any such successor corporation continuing to act as Trustee hereunder shall meet the requirements of Section 11.14 hereof, and if such corporation does not meet the aforesaid requirements, a successor Trustee shall be appointed pursuant to this Article XI. The Trustee may not resign as the Paying Agent or the Registrar without resigning as Trustee.

**SECTION 11.17. EXTENSION OF RIGHTS AND DUTIES OF TRUSTEE TO PAYING AGENT AND REGISTRAR.** The provisions of Sections 11.02, 11.03, 11.04, 11.08, 11.09, 11.10 and 11.16 hereof are hereby made applicable to the Paying Agent and the Registrar, as appropriate, and any Person serving as Paying Agent and/or Registrar, hereby enters into and agrees to comply with the covenants and agreements of the Indenture applicable to the Paying Agent and Registrar, respectively.

**SECTION 11.18. RESIGNATION OF PAYING AGENT OR REGISTRAR.** The Paying Agent or Registrar may resign and be discharged of the duties created by the Indenture by executing an instrument in writing resigning such duties and specifying the date when such resignation shall take effect, and filing the same with the Issuer, the Trustee, and any rating agency that shall then have in effect a rating on any of the Bonds, not less than forty-five (45) days before the date specified in such instrument when such resignation shall take effect, and by giving written notice of such resignation not less than three (3) weeks prior to such resignation date to the Bondholders, mailed to their addresses as such appear in the Bond Register. Such resignation shall take effect on the date specified in such instrument and notice, but only if a successor Paying Agent or Registrar shall have been appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment of such successor Paying Agent or Registrar. If the successor Paying Agent or Registrar shall not have been appointed within a period of ninety (90) days following the giving of notice, then the Paying Agent or Registrar shall be authorized to petition any court of competent jurisdiction to appoint a successor Paying Agent or Registrar as provided in Section 11.22 hereof.

**SECTION 11.19. REMOVAL OF PAYING AGENT OR REGISTRAR.** The Paying Agent or Registrar may be removed at any time prior to any Event of Default by the Issuer by filing with the Paying Agent or Registrar to be removed, and with the Trustee, an instrument or instruments in writing executed by the Issuer appointing a successor, or an instrument or instruments in writing designating, and accompanied by an instrument or appointment by the Issuer of, such successor. Such removal shall be effective thirty (30) days (or such longer period as may be set forth in such instrument) after delivery of the instrument; provided, however, that no such removal shall be effective until the successor Paying Agent or Registrar appointed hereunder shall execute, acknowledge and deliver to the Issuer an instrument accepting such appointment hereunder.

**SECTION 11.20. APPOINTMENT OF SUCCESSOR PAYING AGENT OR REGISTRAR.** In case at any time the Paying Agent or Registrar shall be removed, or be dissolved, or if its property or affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy, or for any other reason, then a

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promptly by the Issuer to the Trustee and to any Paying Agent, Registrar, Authenticating Agent and Credit Facility Issuer, if any.

The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of the Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the Issuer or the Majority Owners of the Bonds then Outstanding or the Trustee may petition a court of competent jurisdiction for appointment of a successor trustee.

**SECTION 11.13. APPOINTMENT OF SUCCESSOR TRUSTEE.** If the Trustee or any successor Trustee resigns or is removed or dissolved, or if its property or business is taken under the control of any state or federal court or administrative body, a vacancy shall forthwith exist in the office of the Trustee, and the Issuer shall appoint a successor and shall mail notice of such appointment by first-class mail to each Bondholder as its name and address appear on the Bond Register, and to the Paying Agent, Registrar, Authenticating Agent, Credit Facility Issuer, if any, and any rating agency that shall then have in effect a rating on any of the Bonds. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Master Indenture prior to the date specified in the notice of resignation or removal as the date when such resignation or removal was to take effect, the Majority Owners of all Bonds then Outstanding may appoint a successor Trustee.

**SECTION 11.14. QUALIFICATION OF SUCCESSOR.** A successor Trustee shall be a bank or trust company with trust powers, having a combined net capital and surplus of at least \$50,000,000.

**SECTION 11.15. INSTRUMENTS OF SUCCESSION.** Subject to Section 11.16 hereof, any successor Trustee shall execute, acknowledge and deliver to the Issuer an instrument accepting such appointment hereunder and thereupon, such successor Trustee, without any further act, deed, or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in trust hereunder, with like effect as if originally named Trustee herein. The Trustee ceasing to act hereunder, after deducting all amounts owed to the Trustee, shall pay over to the successor Trustee all moneys held by it hereunder and, upon request of the successor Trustee, the Trustee ceasing to act and the Issuer shall execute and deliver an instrument or instruments prepared by the Issuer transferring to the successor Trustee all the estates, properties, rights, powers and trusts hereunder of the predecessor Trustee, except for its rights under Section 11.04 hereof.

**SECTION 11.16. MERGER OF TRUSTEE.** Any corporation into which any Trustee hereunder may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which any Trustee hereunder shall be a party, or any corporation which shall have purchased substantially all of the bond administration business of the corporate trust department shall be the successor Trustee under the Indenture, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein

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vacancy shall forthwith and ipso facto exist in the office of the Paying Agent or Registrar, as the case may be, and a successor shall be appointed by the Issuer; and in case at any time the Paying Agent or Registrar shall resign, then a successor shall be appointed by the Issuer. After any such appointment, notice of such appointment shall be given by the Issuer to the predecessor Paying Agent or Registrar, the successor Paying Agent or Registrar, the Trustee, Credit Facility Issuer, if any, any rating agency that shall then have in effect a rating on any of the Bonds, and all Bondholders. Any new Paying Agent or Registrar so appointed shall immediately, and without further act, supersede the predecessor Paying Agent or Registrar.

**SECTION 11.21. QUALIFICATIONS OF SUCCESSOR PAYING AGENT OR REGISTRAR.** Every successor Paying Agent or Registrar (a) shall be a commercial bank or trust company (i) duly organized under the laws of the United States or any state or territory thereof, (i) authorized by law to perform all the duties imposed upon it by the Indenture and (iii) capable of meeting its obligations hereunder, and (b) shall have a combined net capital and surplus of at least \$50,000,000.

**SECTION 11.22. JUDICIAL APPOINTMENT OF SUCCESSOR PAYING AGENT OR REGISTRAR.** In case at any time the Paying Agent or Registrar shall resign and no appointment of a successor Paying Agent or Registrar shall be made pursuant to the foregoing provisions of this Master Indenture prior to the date specified in the notice of resignation as the date when such resignation is to take effect, the retiring Paying Agent or Registrar may forthwith apply to a court of competent jurisdiction for the appointment of a successor Paying Agent or Registrar. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor Paying Agent or Registrar. Notice of such appointment shall be given by the Successor Registrar or Paying Agent to the Issuer, the Trustee, Credit Facility Issuer, if any, any rating agency that shall then have in effect a rating on any of the Bonds, and all Bondholders. In the absence of such an appointment, the Trustee shall become the Registrar or Paying Agent, and shall so notify the Issuer, any rating agency that shall have issued a rating on the Bonds, and all Bondholders.

**SECTION 11.23. ACCEPTANCE OF DUTIES BY SUCCESSOR PAYING AGENT OR REGISTRAR.** Subject to Section 11.04 hereof, any successor Paying Agent or Registrar shall become duly vested with all the estates, property, rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named Paying Agent or Registrar herein. Upon request of such Paying Agent or Registrar, such predecessor Paying Agent or Registrar and the Issuer shall, after payment of such Paying Agent or Registrar's fees and expenses, execute and deliver an instrument transferring to such successor Paying Agent or Registrar all the estates, property, rights and powers hereunder, except for its rights under Section 11.04 hereof, of such predecessor Paying Agent or Registrar and such predecessor Paying Agent or Registrar shall pay over and deliver to the successor Paying Agent or Registrar all moneys and other assets at the time held by it hereunder.

**SECTION 11.24. SUCCESSOR BY MERGER OR CONSOLIDATION.** Any corporation into which any Paying Agent or Registrar hereunder may be merged or converted or

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with which it may be consolidated, or any corporation resulting from any merger or consolidation to which any Paying Agent or Registrar hereunder shall be a party, or any corporation which shall have purchased substantially all of the bond administration business of the corporate trust department shall be the successor Paying Agent or Registrar under the Indenture without the execution or filing of any paper or any further act on the part of the parties thereto, anything in the Indenture to the contrary notwithstanding.

**ARTICLE XII**  
**ACTS OF BONDHOLDERS; EVIDENCE OF OWNERSHIP OF BONDS**

**SECTION 12.01. ACTS OF BONDHOLDERS; EVIDENCE OF OWNERSHIP OF BONDS.** Any action to be taken by Bondholders may be evidenced by one or more concurrent written instruments of similar tenor signed or executed by such Bondholders in person or by an agent appointed in writing. The fact and date of the execution by any person of any such instrument may be provided by acknowledgment before a notary public or other officer empowered to take acknowledgments or by an affidavit of a witness to such execution. Any action by the Owner of any Bond shall bind all future Owners of the same Bond in respect of anything done or suffered by the Issuer, Trustee, Paying Agent or Registrar in pursuance thereof.

**ARTICLE XIII**  
**AMENDMENTS AND SUPPLEMENTS**

**SECTION 13.01. AMENDMENTS AND SUPPLEMENTS WITHOUT BONDHOLDERS' CONSENT.** This Master Indenture and any Supplemental Indenture may be amended or supplemented, from time to time, without the consent of the Bondholders, by a Supplemental Indenture authorized by a Certified Resolution of the Issuer filed with the Trustee, for one or more of the following purposes:

- (a) to add additional covenants of the Issuer or to surrender any right or power herein conferred upon the Issuer;
- (b) for any purpose not inconsistent with the terms of the Indenture, or to cure any ambiguity or to cure, correct or supplement any defective provision (whether because of any inconsistency with any other provision hereof or otherwise) of the Indenture, in such manner as shall not impair the security hereof or thereof or adversely affect the rights and remedies of the Bondholders;
- (c) to provide for the execution of any and all contracts and other documents as may be required in order to effectuate the conveyance of any Project to the State, the County or any department, agency or branch thereof, or any other unit of government of the State, provided, however, that the Issuer shall have caused to be delivered to the Trustee an opinion of Bond Counsel stating that such conveyance shall not impair the security hereof or adversely affect the rights and remedies of the Bondholders; and

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**SECTION 14.02. DEPOSIT OF FUNDS FOR PAYMENT OF BONDS.** If the Issuer deposits with the Escrow Agent moneys sufficient, or Defeasance Securities, the principal of and interest on which, when due, together with any moneys remaining uninvested, will provide sufficient moneys to pay the principal or Redemption Price of any Bonds of a Series becoming due, either at maturity or by redemption or otherwise, together with all interest accruing thereon to the date of maturity or such prior redemption, and reimburses or causes to be reimbursed or pays or causes to be paid the other amounts required to be reimbursed or paid under Section 14.01 hereof, interest on such Bonds of a Series shall cease to accrue on such date of maturity or prior redemption and all liability of the Issuer with respect to such Bonds of a Series shall likewise cease, except as hereinafter provided; provided, however, that (a) if any Bonds are to be redeemed prior to the maturity thereof, notice of the redemption thereof shall have been duly given in accordance with the provisions of Section 8.02 hereof, or irrevocable provision satisfactory to the Trustee shall have been duly made for the giving of such notice, and (b) in the event that any Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days following a deposit of moneys with the Escrow Agent, in accordance with this Section, the Issuer shall have given the Escrow Agent, in form satisfactory to the Escrow Agent, irrevocable instructions to mail to the Owners of such Bonds at their addresses as they appear on the Bond Register, a notice stating that a deposit in accordance with this Section has been made with the Escrow Agent and that the Bonds to which such notice relates are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price (as the case may be) of, and interest on, said Bonds of a Series. Thereafter such Bonds shall be deemed not to be Outstanding hereunder and the Owners of such Bonds shall be restricted exclusively to the funds so deposited for any claim of whatsoever nature with respect to such Bonds, and the Escrow Agent shall hold such funds in trust for such Owners. At the time of the deposit referred to above, there shall be delivered to the Escrow Agent a verification from a firm of independent certified public accountants stating that the principal of and interest on the Defeasance Securities, together with the stated amount of any cash remaining on deposit with the Escrow Agent, will be sufficient without reinvestment to pay the remaining principal of, redemption premium, if any, and interest on such defeased Bonds.

Money so deposited with the Escrow Agent which remains unclaimed three (3) years after the date payment thereof becomes due shall, upon request of the Issuer, if the Issuer is not at the time to the knowledge of the Escrow Agent in default with respect to any covenant in the Indenture or the Bonds of such Series contained, be paid to the Issuer; and the Owners of the Bonds for which the deposit was made shall thereafter be limited to a claim against the Issuer; provided, however, that the Escrow Agent, before making payment to the Issuer, may, at the expense of the Issuer, cause a notice to be published in an Authorized Newspaper, stating that the money remaining unclaimed will be returned to the Issuer after a specified date.

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(d) to make such changes as may be necessary in order to reflect amendments to Chapters 170, 190 and 197, Florida Statutes, so long as, in the opinion of counsel to the Issuer, such changes either: (i) do not have an adverse effect on the Holders of the Bonds; or (ii) if such changes do have an adverse effect, that they nevertheless are required to be made as a result of such amendments.

**SECTION 13.02. AMENDMENTS WITH BONDHOLDERS' CONSENT.** Subject to the provisions of Section 13.03 hereof, this Master Indenture may be amended from time to time by a Supplemental Indenture and any Supplemental Indenture approved by the Majority Owners of the Bonds then Outstanding in the case of the Master Indenture, and of the Series of Bonds then Outstanding and secured by such Supplemental Indenture in the case of an amendment of a Supplemental Indenture; provided that with respect to (a) the interest payable upon any Bonds, (b) the dates of maturity or redemption provisions of any Bonds, (c) this Article XIII and (d) the security provisions hereunder or under any Supplemental Indenture, which may only be amended by approval of the Owners of all Bonds to be so amended.

**SECTION 13.03. TRUSTEE AUTHORIZED TO JOIN IN AMENDMENTS AND SUPPLEMENTS; RELIANCE ON COUNSEL.** The Trustee is authorized to join in the execution and delivery of any Supplemental Indenture or amendment permitted by this Article XIII and in so doing may rely on a written opinion of Counsel at the expense of the Issuer that such Supplemental Indenture or amendment is so permitted and has been duly authorized by the Issuer and that all things necessary to make it a valid and binding agreement have been done. The Trustee shall not be obligated to enter into any Supplemental Indenture or amendment that imposes additional obligations on the Trustee or adversely affects the Trustee's rights and remedies hereunder.

**ARTICLE XIV**  
**DEFEASANCE**

**SECTION 14.01. DEFEASANCE.** When interest on, and principal or Redemption Price (as the case may be) of, the Bonds of a Series or any portion thereof to be defeased have been paid, or there shall have been deposited with the Trustee or such other escrow agent designated in a Certified Resolution of the Issuer (the "Escrow Agent") moneys sufficient, or Defeasance Securities, the principal of and interest on which, when due, together with any moneys, remaining uninvested, will provide sufficient moneys to fully pay (i) such Bonds of a Series or portion thereof to be defeased, and (ii) any other sums payable hereunder by the Issuer, the right, title and interest of the Trustee with respect to such Bonds of a Series or portion thereof to be defeased shall thereupon cease, the lien of the Indenture on the Pledged Revenues, and the Funds and Accounts established under the Indenture shall be defeased and discharged, and the Trustee, on demand of the Issuer, shall release the Indenture as to such Bonds of a Series or portion thereof to be so defeased and shall execute such documents to evidence such release as may be reasonably required by the Issuer and shall turn over to the Issuer or to such Person, body or authority as may be entitled to receive the same all balances remaining in any Series Funds and Accounts upon the defeasance in whole of all of the Bonds of a Series.

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**ARTICLE XV**  
**MISCELLANEOUS PROVISIONS**

**SECTION 15.01. LIMITATIONS ON RECOURSE.** No personal recourse shall be had for any claim based on the Indenture or the Bonds against any member of the Board of the Issuer, officer, employee or agent, past, present or future, of the Issuer or of any successor body as such, either directly or through the Issuer or any such successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise.

The Bonds are payable solely from the Pledged Revenues, and any other moneys held by the Trustee under the Indenture for such purpose. There shall be no other recourse under the Bonds, the Indenture or otherwise, against the Issuer or any other property now or hereafter owned by it.

**SECTION 15.02. PAYMENT DATES.** In any case where an Interest Payment Date or the maturity date of the Bonds or the date fixed for the redemption of any Bonds shall be other than a Business Day, then payment of interest, principal or Redemption Price need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the due date, and no interest on such payment shall accrue for the period after such due date if payment is made on such next succeeding Business Day.

**SECTION 15.03. NO RIGHTS CONFERRED ON OTHERS.** Nothing herein contained shall confer any right upon any Person other than the parties hereto and the Holders of the Bonds.

**SECTION 15.04. ILLEGAL PROVISIONS DISREGARDED.** If any term of the Indenture or the Bonds or the application thereof for any reason or circumstances shall to any extent be held invalid or unenforceable, the remaining provisions or the application of such terms or provisions to Persons and situations other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining term and provision hereof and thereof shall be valid and enforced to the fullest extent permitted by law.

**SECTION 15.05. SUBSTITUTE NOTICE.** If for any reason it shall be impossible to make publication of any notice required hereby in a newspaper or newspapers, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient publication of such notice.

**SECTION 15.06. NOTICES.** Any notice, demand, direction, request or other instrument authorized or required by the Indenture to be given to or filed with the Issuer or the Trustee shall be deemed to have been sufficiently given or filed for all purposes of the Indenture if and when personally delivered and receipted for, or sent by registered United States mail, return receipt requested, addressed as follows:

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(a) As to the Issuer: Del Webb Bexley Community Development District  
c/o Rizzetta & Company, Inc.  
5844 Old Pasco Road, Suite 100  
Wesley Chapel, Florida 33544  
Attention: District Manager

With a copy to: Hopping Green & Sams, P.A.  
119 South Monroe Street, Suite 300  
Tallahassee, Florida 32301  
Attention: Jonathan T. Johnson, Esq.

(b) As to the Trustee: U.S. Bank National Association  
225 E. Robinson Street, Suite 250  
Orlando, Florida 32801  
Attention: Leanne M. Duffy  
Email: [leanne.duffy@usbank.com](mailto:leanne.duffy@usbank.com)

Any of the foregoing may, by notice sent to each of the others, designate a different or additional address to which notices under the Indenture are to be sent.

All documents received by the Trustee under the provisions of the Indenture and not required to be redelivered shall be retained in its possession, subject at all reasonable times to the inspection of the Issuer, any Consultant, any Bondholder and the agents and representatives thereof as evidence in writing.

**SECTION 15.07. CONTROLLING LAW.** The Indenture shall be governed by and construed in accordance with the laws of the State.

**SECTION 15.08. SUCCESSORS AND ASSIGNS.** All the covenants, promises and agreements in the Indenture contained by or on behalf of the Issuer or by or on behalf of the Trustee shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

**SECTION 15.09. HEADINGS FOR CONVENIENCE ONLY.** The table of contents and descriptive headings in this Master Indenture are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

**SECTION 15.10. COUNTERPARTS.** This Master Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

**SECTION 15.11. APPENDICES AND EXHIBITS.** Any and all appendices or exhibits referred to in and attached to this Master Indenture are hereby incorporated herein and made a part hereof for all purposes.

IN WITNESS WHEREOF, the Del Webb Bexley Community Development District has caused this Master Indenture to be executed by the Chair of its Board and its corporate seal to be hereunto affixed, attested by the Secretary or Assistant Secretary of its Board and U.S. Bank National Association has caused this Master Indenture to be executed by one of its corporate officers, all as of the day and year first above written.

[SEAL]

Attest:

Secretary/Assistant Secretary,  
Board of Supervisors

DEL WEBB BEXLEY COMMUNITY  
DEVELOPMENT DISTRICT

By: \_\_\_\_\_  
Chair, Board of Supervisors

U.S. BANK NATIONAL ASSOCIATION, a  
national banking association, as Trustee,  
Paying Agent and Registrar

By: \_\_\_\_\_  
Title: Vice President

EXHIBIT A  
LEGAL DESCRIPTION OF  
DEL WEBB BEXLEY COMMUNITY DEVELOPMENT DISTRICT

[TO COME]

EXHIBIT B  
DESCRIPTION OF THE CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program includes the planning, financing, acquisition, construction, equipping and installation of the infrastructure improvements described in the Del Webb Bexley Report of District Engineer dated February 2018, which include, but are not limited to, stormwater, drainage and earthwork improvements; roadways and paving improvements; water, wastewater and reclaimed water improvements; power and street light improvement; and wetland mitigation, as the same may be amended from time to time by the District.

EXHIBIT C

[FORM OF BOND]

The following legend shall appear on the Bond only if the Bonds are privately placed:

THIS BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, BASED UPON THE EXEMPTION FROM REGISTRATION AVAILABLE UNDER SECTION 3(a)(2) THEREOF, AND MAY BE SOLD OR OTHERWISE TRANSFERRED ONLY TO AN "ACCREDITED INVESTOR," AS SUCH TERM IS DEFINED IN 17 C.F.R. SECTION 230.501(a), OR ANY SUCCESSOR PROVISION THERETO, IN ACCORDANCE WITH APPLICABLE FEDERAL AND STATE SECURITIES LAWS AND OTHERWISE IN ACCORDANCE WITH THE PROVISIONS OF THE INDENTURE REFERRED TO BELOW.

R-\_\_\_\_\_ \$\_\_\_\_\_

UNITED STATES OF AMERICA
STATE OF FLORIDA
DEL WEBB BEXLEY COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BOND,
SERIES [ ]

Interest Rate Maturity Date Date of Original Issuance CUSIP

Registered Owner: \_\_\_\_\_

Principal Amount: \_\_\_\_\_

KNOW ALL PERSONS BY THESE PRESENTS that the Del Webb Bexley Community Development District (the "Issuer"), for value received, hereby promises to pay to the registered owner shown above or registered assigns, on the date specified above, from the sources hereinafter mentioned, upon presentation and surrender hereof at the designated corporate trust office of U.S. Bank National Association in Orlando, Florida, as paying agent (said U.S. Bank National Association and/or any bank or trust company to become successor paying agent being herein called the "Paying Agent"), the Principal Amount set forth above with interest thereon at the Interest Rate per annum set forth above, computed on 360-day year of twelve 30-day months, payable on the first day of May and November of each year; provided, however, that presentation shall not be required while Bonds are registered in book entry only. Principal of this Bond is payable at the designated corporate trust office of the Paying Agent in lawful money of the United States of America. Interest on this Bond is payable by check or draft of the Paying Agent made

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Series \_\_\_\_\_ (the "Bonds"), in the aggregate principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) of like date, tenor and effect, except as to number. The Bonds are being issued under authority of the laws and Constitution of the State of Florida, including particularly the Act, to pay a portion of the costs of the design, acquisition and construction of facilities and basic infrastructure consisting of, but not limited to, drainage, water management and control, water supply, sewer, wastewater management, bridges or culverts, roads and street lights, transportation facilities, conservation areas, parks and recreational facilities security, or any other project improvements pursuant to the Act. The Bonds shall be issued as fully registered Bonds in authorized denominations, as set forth in the Indenture. The Bonds are issued under and secured by a Master Trust Indenture dated as of [\_\_\_\_\_] 1, 2018, (the "Master Indenture"), as amended and supplemented by a \_\_\_\_\_ Supplemental Trust Indenture dated as of \_\_\_\_\_ 1, \_\_\_\_ (the "Supplemental Indenture" and together with the Master Indenture, the "Indenture"), each by and between the Issuer and the Trustee, executed counterparts of which are on file at the designated corporate trust office of the Trustee in Orlando, Florida.

Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of the Bonds issued under the Indenture, the operation and application of the Debt Service Fund and other Funds and Accounts (each as defined in the Indenture) charged with and pledged to the payment of the principal of, premium, if any, and the interest on the Bonds, the levy and the evidencing and certifying for collection, of Special Assessments, the nature and extent of the security for the Bonds, the terms and conditions on which the Bonds are issued, the rights, duties and obligations of the Issuer and of the Trustee under the Indenture, the conditions under which such Indenture may be amended without the consent of the registered owners of Bonds, the conditions under which such Indenture may be amended with the consent of the Majority Owners of the Bonds Outstanding, and as to other rights and remedies of the registered owners of the Bonds.

The registered owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

It is expressly agreed by the registered owner of this Bond that such registered owner shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer, Pasco County, Florida, the State of Florida or any other political subdivision thereof, or taxation in any form of any real or personal property of the Issuer, Pasco County, Florida, the State of Florida or any other political subdivision thereof, for the payment of the principal of, premium, if any, and interest on this Bond or the making of any other sinking fund and other payments provided for in the Indenture, except for Special Assessments to be assessed and levied by the Issuer as set forth in the Indenture.

By the acceptance of this Bond, the registered owner hereof assents to all the provisions of the Indenture.

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payable to the registered owner and mailed on each Interest Payment Date to the address of the registered owner as such name and address shall appear on the registry books of the Issuer maintained by U.S. Bank National Association, as Registrar (and any successor Registrar being herein called the "Registrar") at the close of business on the fifteenth day of the calendar month preceding each interest payment date or the date on which the principal of a Bond is to be paid (the "Record Date"). Such interest shall be payable from the most recent interest payment date next preceding the date of authentication hereof to which interest has been paid, unless the date of authentication hereof is a May 1 or November 1 to which interest has been paid, in which case from the date of authentication hereof, or unless such date of authentication is prior to \_\_\_\_\_, 20\_\_\_\_, in which case from \_\_\_\_\_, 20\_\_\_\_, or unless the date of authentication hereof is between a Record Date and the next succeeding interest payment date, in which case from such interest payment date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Record Date and may be paid to the person in whose name this Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Paying Agent, notice whereof shall be given to Bondholders of record as of the fifth (5th) day prior to such mailing, at their registered addresses, not less than ten (10) days prior to such Special Record Date, or may be paid, at any time in any other lawful manner, as more fully provided in the Indenture (defined below). Capitalized terms used herein and not otherwise defined shall be as defined in the Indenture.

THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY OUT OF THE PLEDGED REVENUES PLEDGED THEREFOR UNDER THE INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE ISSUER, PASCO COUNTY, FLORIDA, THE STATE OF FLORIDA, OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE BONDS, EXCEPT THAT THE ISSUER IS OBLIGATED UNDER THE INDENTURE TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, SPECIAL ASSESSMENTS (AS DEFINED IN THE INDENTURE) TO SECURE AND PAY THE BONDS. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, PASCO COUNTY, FLORIDA, THE STATE OF FLORIDA, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by execution of the Trustee, or such other authenticating agent as may be appointed by the Trustee under the Indenture, of the certificate of authentication endorsed hereon.

This Bond is one of an authorized issue of Bonds of the Del Webb Bexley Community Development District, a community development district duly created, organized and existing under Chapter 190, Florida Statutes (the Uniform Community Development District Act of 1980), as amended (the "Act") and Ordinance No. 17-39 of the Board of County Commissioners of Pasco County, Florida, enacted on October 24, 2017, with an effective date of October 30, 2017, designated as "Del Webb Bexley Community Development District Special Assessment Bonds,

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This Bond is payable from and secured by Pledged Revenues, as such term is defined in the Indenture, in the manner provided in the Indenture. The Indenture provides for the levy and the evidencing and certifying, of non-ad valorem assessments in the form of Special Assessments to secure and pay the Bonds.

The Bonds are subject to redemption prior to maturity in the amounts, at the times and in the manner provided below. All payments of the redemption price of the Bonds shall be made on the dates specified below. Upon any redemption of Bonds other than in accordance with scheduled Sinking Fund Installments, the Issuer shall cause to be recalculated and delivered to the Trustee revised Sinking Fund Installments recalculated so as to amortize the Outstanding principal amount of Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Bonds. The Sinking Fund Installments as so recalculated shall not result in an increase in the aggregate of the Sinking Fund Installments for all Bonds in any year. In the event of a redemption or purchase occurring less than 45 days prior to a date on which a Sinking Fund Installment is due, the foregoing recalculation shall not be made to Sinking Fund Installments due in the year in which such redemption or purchase occurs, but shall be made to Sinking Fund Installments for the immediately succeeding and subsequent years.

Optional Redemption

The Bonds are subject to redemption at the option of the Issuer in whole or in part at any time on or after \_\_\_\_\_ 1, \_\_\_\_ at the redemption prices (expressed as percentages of principal amount to be redeemed) set forth below, plus accrued interest to the redemption date, upon notice from the Issuer to the Trustee as set forth in the Indenture.

Table with 2 columns: Redemption Period (Both Dates Inclusive) and Redemption Price. Rows show percentages from 1% to 31% and thereafter.

Mandatory Sinking Fund Redemption

The Bonds are subject to mandatory sinking fund redemption on May 1 in the years and in the principal amounts set forth below at a redemption price of 100% of their principal amount plus accrued interest to the date of redemption. Such principal amounts shall be reduced as specified by the Issuer by the principal amount of any Bonds redeemed pursuant to optional or extraordinary mandatory redemption as set forth above or purchased and cancelled pursuant to the provisions of the Indenture.

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Year	Principal Amount of Bonds to be Paid	Year	Principal Amount of Bonds to be Paid
------	--------------------------------------	------	--------------------------------------

**Extraordinary Mandatory Redemption in Whole or in Part**

The Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole, on any date, or in part, on any interest payment date, at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus interest accrued to the redemption date, (i) from moneys deposited into the Bond Redemption Fund following the payment in full of Special Assessments on any portion of the District Lands in accordance with the provisions of the Section 9.08(a) of the Indenture; (ii) from moneys deposited into the Bond Redemption Fund following the payment in full of Special Assessments on any portion of the District Lands as a result of any prepayment of Special Assessments in accordance with the provisions of Section 9.08(b) of the Indenture; (iii) when sufficient moneys are on deposit in the related Funds and Accounts (other than the Rebate Fund and any other fund or account as provided in the Supplemental Indenture) to pay and redeem all Outstanding Bonds and accrued interest thereon to the redemption date in addition to all amounts owed to Persons under the Indenture; (iv) unless otherwise provided in the applicable Supplemental Indenture from moneys in excess of the Debt Service Reserve Requirement in the Debt Service Reserve Fund transferred to the Bond Redemption Fund pursuant to the Indenture; (v) from excess moneys transferred from the Revenue Fund to the Bond Redemption Fund in accordance with the Indenture; or (vi) from amounts transferred to the Series Account of the Bond Redemption Fund from the Series Account of the Acquisition and Construction Fund in accordance with the Indenture.

**Notice of Redemption**

The Trustee shall cause notice of redemption to be mailed at least thirty (30) but not more than sixty (60) days prior to the date of redemption to all registered owners of Bonds to be redeemed (as such owners appear on the books of the Registrar on the fifth (5th) day prior to such mailing) and to certain additional parties as set forth in the Indenture; provided, however, that failure to mail any such notice or any defect in the notice or the mailing thereof shall not affect the validity of the redemption of the Bonds for which such notice was duly mailed in accordance with the Indenture. If less than all of the Bonds shall be called for redemption, the notice of redemption shall specify the Bonds to be redeemed. On the redemption date, the Bonds called for redemption will be payable at the designated corporate trust office of the Paying Agent and on such date interest shall cease to accrue, such Bonds shall cease to be entitled to any benefit

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day of such mailing, or (ii) to transfer or exchange any Bond so selected for redemption in whole or in part.

The Issuer, the Trustee, the Paying Agent and the Registrar may deem and treat the person in whose name any Bond shall be registered upon the books kept by the Registrar as the absolute owner thereof (whether or not such Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Issuer, the Trustee, the Paying Agent or the Registrar) for the purpose of receiving payment of or on account of the principal of, premium, if any, and interest on such Bond as the same becomes due, and for all other purposes. All such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer, the Trustee, the Paying Agent, nor the Registrar shall be affected by any notice to the contrary.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed, precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, including particularly the Act, and that the issuance of this Bond, and of the issue of the Bonds of which this Bond is one, is in full compliance with all constitutional and statutory limitations or provisions.

[Remainder of page intentionally left blank]

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under the Indenture and such Bonds shall not be deemed to be outstanding under the provisions of the Indenture and the registered owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof. If the amount of funds so deposited with the Trustee, or otherwise available, is insufficient to pay the redemption price and interest on all Bonds so called for redemption on such date, the Trustee shall redeem and pay on such date an amount of such Bonds for which such funds are sufficient, selecting the Bonds to be redeemed by lot from among all such Bonds called for redemption on such date, and interest on any Bonds not paid shall continue to accrue, as provided in the Indenture.

**Partial Redemption of Bonds.**

If less than all the Bonds of a maturity are to be redeemed, the Trustee shall select the particular Bonds or portions of Bonds to be redeemed by lot in such reasonable manner as the Trustee in its discretion may determine. In the case of any partial redemption of Bonds pursuant to an optional redemption, such redemption shall be effectuated by redeeming Bonds of such maturities in such manner as shall be specified by the Issuer in writing, subject to the provisions of the Indenture. In the case of any partial redemption of Bonds pursuant to an extraordinary mandatory redemption, such redemption shall be effectuated by redeeming Bonds pro rata among the maturities, treating each date on which a Sinking Fund Installment is due as a separate maturity for such purpose, with the portion to be redeemed from each maturity being equal to the product of the aggregate principal amount of Bonds to be redeemed multiplied times a fraction the numerator of which is the principal amount of Bonds of such maturity outstanding immediately prior to the redemption date and the denominator of which is the aggregate principal amount of all Bonds outstanding immediately prior to the redemption date.

The Issuer shall keep books for the registration of the Bonds at the corporate trust office of the Registrar in Orlando, Florida. Subject to the restrictions contained in the Indenture, the Bonds may be transferred or exchanged by the registered owner thereof in person or by his attorney duly authorized in writing only upon the books of the Issuer kept by the Registrar and only upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Issuer shall execute and the Trustee or such other authenticating agent as may be appointed by the Trustee under the Indenture shall authenticate and deliver a new Bond or Bonds in authorized form and in like aggregate principal amount in accordance with the provisions of the Indenture. Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee, Paying Agent or the Registrar, duly executed by the Bondholder or his attorney duly authorized in writing. Transfers and exchanges shall be made without charge to the Bondholder, except that the Issuer or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds. Neither the Issuer nor the Registrar on behalf of the Issuer shall be required (i) to issue transfer or exchange any Bond during a period beginning at the opening of business fifteen (15) days before the day of mailing of a notice of redemption of Bonds selected for redemption and ending at the close of business on the

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IN WITNESS WHEREOF, the Del Webb Bexley Community Development District has caused this Bond to be signed by the facsimile signature of the Chair of its Board of Supervisors and a facsimile of its seal to be imprinted hereon, and attested by the facsimile signature of the Secretary of its Board of Supervisors, all as of the date hereof.

**DEL WEBB BEXLEY COMMUNITY DEVELOPMENT DISTRICT**

[SEAL]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Chair, Board of Supervisors

(SEAL)

Attest:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Secretary, Board of Supervisors

**CERTIFICATE OF AUTHENTICATION**

This Bond is one of the Bonds delivered pursuant to the within mentioned Indenture.

Date of Authentication: \_\_\_\_\_

**U.S. BANK NATIONAL ASSOCIATION,**  
as Trustee

By: \_\_\_\_\_  
Authorized Agent

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STATEMENT OF VALIDATION

This Bond is one of a series of Bonds which were validated by judgment of the Circuit Court of the Sixth Judicial Circuit of Florida, in and for Pasco County, Florida, rendered on the [ ] day of [ ], 20[ ].

\_\_\_\_\_  
Chair, Board of Supervisors

\_\_\_\_\_  
Secretary, Board of Supervisors

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

- TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with rights of survivorship and not as tenants in common
UNIFORM TRANSFER MIN ACT - Custodian (Cust) (Minor)

Under Uniform Transfer to Minors

Act (State)

Additional abbreviations may also be used though not in the above list.

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ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto (please print or typewrite name and address of assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Signature Guarantee:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Please insert social security or other identifying number of Assignee.

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EXHIBIT D

FORM OF REQUISITION DEL WEBB BEXLEY COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT BONDS, SERIES [ ]

The undersigned, a Responsible Officer of the Del Webb Bexley Community Development District (the "Issuer") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture from the Issuer to U.S. Bank National Association, as trustee (the "Trustee"), dated as of 1, 2018, as supplemented by that certain Supplemental Trust Indenture dated as of 1, 20, (collectively, the "Indenture") (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture):

- (A) Requisition Number:
(B) Name of Payee:
(C) Amount Payable:
(D) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments, or, state Costs of Issuance, if applicable):
(E) Amount, if any, that is to be used for a Deferred Cost:
(E) Fund or Account from which disbursement to be made:

The undersigned hereby certifies that:

- 1. obligations in the stated amount set forth above have been incurred by the Issuer, or this requisition is for Costs of Issuance payable from the Acquisition and Construction Fund that have not previously been paid;
2. each disbursement set forth above is a proper charge against the Acquisition and Construction Fund;
3. each disbursement set forth above was incurred in connection with the acquisition and/or construction of the Project;

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4. each disbursement represents a Cost of the Project which has not previously been paid.

The undersigned hereby further certifies that there has not been filed with or served upon the Issuer notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to the Payee set forth above, which has not been released or will not be released simultaneously with the payment hereof.

The undersigned hereby further certifies that such requisition contains no item representing payment on account of any retained percentage which the Issuer is at the date of such certificate entitled to retain.

Originals or copies of the invoice(s) from the vendor of the property acquired or the services rendered, or other appropriate documentation of costs paid, with respect to which disbursement is hereby requested are on file with the Issuer.

**DEL WEBB BEXLEY COMMUNITY  
DEVELOPMENT DISTRICT**

By: \_\_\_\_\_  
Responsible Officer

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**CONSULTING ENGINEER'S APPROVAL  
FOR NON-COST OF ISSUANCE REQUESTS ONLY**

If this requisition is for a disbursement for other than Costs of Issuance, the undersigned Consulting Engineer hereby certifies that this disbursement is for a Cost of the Project and is consistent with: (i) the applicable acquisition or construction contract; (ii) the plans and specifications for the portion of the Project with respect to which such disbursement is being made; and (iii) the report of the Consulting Engineer, as such report shall have been amended or modified on the date hereof.

\_\_\_\_\_  
Consulting Engineer

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FIRST SUPPLEMENTAL TRUST INDENTURE

BETWEEN

DEL WEBB BEXLEY COMMUNITY DEVELOPMENT DISTRICT

AND

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

Dated as of October 1, 2018

Authorizing and Securing

\$10,180,000  
DEL WEBB BEXLEY COMMUNITY DEVELOPMENT DISTRICT  
(Pasco County, Florida)  
Special Assessment Bonds, Series 2018

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THIS FIRST SUPPLEMENTAL TRUST INDENTURE dated as of October 1, 2018 (the "First Supplemental Indenture") between **DEL WEBB BEXLEY COMMUNITY DEVELOPMENT DISTRICT** (the "Issuer" or the "District"), a local unit of special-purpose government organized and existing under the laws of the State of Florida, and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association duly organized and existing under the laws of the United States of America, with its designated corporate trust office located at 225 E. Robinson Street, Suite 250, Orlando, Florida 32801 (said banking association and any bank or trust company becoming successor trustee under this First Supplemental Indenture being hereinafter referred to as the "Trustee");

**WITNESSETH:**

**WHEREAS**, the Issuer is a local unit of special purpose government duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, *Florida Statutes*, as amended (the "Act") and Ordinance No. 17-39 of the Board of County Commissioners of Pasco County, Florida, enacted on October 24, 2017, with an effective date of October 30, 2017, for the purpose, among other things, of financing and managing the design, acquisition, construction, maintenance, and operation of systems, facilities and basic infrastructure within and without the boundaries of the premises to be governed by the Issuer; and

**WHEREAS**, the premises governed by the Issuer (referred to herein as the "District Lands") are described more fully in Exhibit A to the Master Trust Indenture dated as of October 1, 2018 (the "Master Indenture"), between the District and the Trustee, and currently consists of approximately 429 acres of land located entirely within the County; and

**WHEREAS**, the Issuer has been created for the purpose of delivering certain community development services and facilities for the benefit of the District Lands; and

**WHEREAS**, the Issuer has determined to undertake, in one or more stages, the acquisition and construction of certain public infrastructure and associated professional fees and incidental costs related thereto pursuant to the Act for the special benefit of the District Lands (as further described in Exhibit B to the Master Indenture, the "Capital Improvement Plan"); and

**WHEREAS**, the Board of Supervisors of the Issuer (the "Board") duly adopted Resolution No. 2018-31 on February 28, 2018 (the "Initial Bond Resolution"), authorizing, among other things, the issuance, in one or more series, of not to exceed \$35,000,000 aggregate principal amount of its Del Webb Bexley Community Development District Special Assessment Bonds in order to pay all or a portion of the costs of the planning, financing, acquisition, construction, reconstruction, equipping and installation of the Capital Improvement Plan; and

WHEREAS, the District's Resolution 2018-40 was duly adopted by the Board on September 12, 2018, authorizing, among other things, the sale of its Special Assessment Bonds, Series 2018 (the "Series 2018 Bonds") which are issued hereunder, as one Series of Bonds under, and as defined in, the Master Indenture, and has authorized the execution and delivery of the Master Indenture and this First Supplemental Indenture to secure the issuance of the Series 2018 Bonds and to set forth the terms of the Series 2018 Bonds; and

WHEREAS, the District will apply the proceeds of the Series 2018 Bonds to: (i) finance the Cost of acquiring, constructing and equipping assessable improvements comprising the Series 2018 Project (as defined herein); (ii) pay certain costs associated with the issuance of the Series 2018 Bonds; (iii) make a deposit into the Series 2018 Debt Service Reserve Account which account will be held for the benefit of all of the Series 2018 Bonds, without privilege or priority of one Series 2018 Bond over another; and (iv) pay the interest to become due on the Series 2018 through May 1, 2020; and

WHEREAS, the Series 2018 Bonds will be secured by a pledge of the Pledged Revenues (as hereinafter defined) to the extent provided herein, which Pledged Revenues consist primarily of the Series 2018 Special Assessments (as hereinafter defined) levied on that portion of the District Lands benefitted by the Series 2018 Project; and

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH, that to provide for the issuance of the Series 2018 Bonds, the security and payment of the principal or redemption price thereof (as the case may be) and interest thereon, the rights of the Bondholders and the performance and observance of all of the covenants contained herein and in said Series 2018 Bonds, and for and in consideration of the mutual covenants herein contained and of the purchase and acceptance of the Series 2018 Bonds by the Owners thereof, from time to time, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the Issuer does hereby assign, transfer, set over and pledge to the Trustee, its successors in trust and its assigns forever, and grants a lien on all of the right, title and interest of the Issuer in and to the Pledged Revenues as security for the payment of the principal, redemption or purchase price of (as the case may be) and interest on the Series 2018 Bonds issued hereunder and any other amounts owed hereunder, and any Bonds issued on a parity with the Series 2018 Bonds, all in the manner hereinafter provided, and the Issuer further hereby agrees with and covenants unto the Trustee as follows:

TO HAVE AND TO HOLD the same and any other revenues, property, contracts or contract rights, accounts receivable, chattel paper, instruments, general intangibles or other rights and the proceeds thereof, which may, by delivery, assignment or otherwise, be subject to the lien created by the Indenture.

IN TRUST NEVERTHELESS, for the equal and ratable benefit and security of all present and future Owners of the Series 2018 Bonds issued and to be issued under this First Supplemental Indenture, without preference, priority or distinction as to lien or otherwise (except as otherwise specifically provided in this First Supplemental Indenture) of any one

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"Authorized Denomination" shall mean, with respect to the Series 2018 Bonds, \$5,000 or any integral multiple thereof; provided however, that the Series 2018 Bonds shall be delivered to the initial purchasers thereof in aggregate principal amounts of \$100,000 or integral multiples of \$5,000 in excess of \$100,000.

"Collateral Assignments" shall mean, collectively, the Collateral Assignment and Assumption of Development and Contract Rights, by the Developer in favor of the Issuer, and the Collateral Assignment and Assumption of Development and Contract Rights, by the Master Landowner in favor of the Issuer, each dated October 26, 2018.

"Developer" shall mean Pulte Home Company, LLC, a Florida limited liability company, and any affiliate or any entity which succeeds to its interests and assumes any or all of the responsibilities of said entity, as the developer of the District Lands.

"District Manager" shall mean the person or entity serving as the Issuer's District Manager from time to time. The initial District Manager shall be Rizzetta & Company, Incorporated.

"Engineer's Report" shall mean, collectively, the Report of District Engineer dated February, 2018, prepared by Clearview Land Design, P.L.

"First Supplemental Indenture" shall mean this First Supplemental Trust Indenture dated as of October 1, 2018, by and between the Issuer and the Trustee, as supplemented or amended.

"Indenture" shall mean, collectively, the Master Indenture and this First Supplemental Indenture.

"Interest Payment Date" shall mean May 1 and November 1 of each year, commencing May 1, 2019.

"Master Landowner" shall mean NNP-Bexley, LLC, a Florida limited liability company, and any affiliate or any entity which succeeds to its interests and assumes any or all of the responsibilities of said entity.

"Methodology Consultant" shall mean, initially, Rizzetta & Company, Incorporated, or such successor Methodology Consultant appointed by the District.

"Paying Agent" shall mean the Trustee, and its successors and assigns as Paying Agent hereunder.

"Pledged Revenues" shall mean, with respect to the Series 2018 Bonds (a) all revenues received by the Issuer from the Series 2018 Special Assessments levied and collected on that portion of the District Lands benefitted by the Series 2018 Project, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such

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Series 2018 Bond over any other Series 2018 Bond, all as provided in the Indenture (as hereinafter defined), and any Bonds issued on a parity with the Series 2018 Bonds.

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal or redemption price of the Series 2018 Bonds issued, and any Bonds issued on a parity with the Series 2018 Bonds, secured and Outstanding hereunder and the interest due or to become due thereon, at the times and in the manner mentioned in such Series 2018 Bonds and the Indenture, according to the true intent and meaning thereof and hereof, and the Issuer shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this First Supplemental Indenture and the rights hereby granted shall cease and terminate, otherwise this First Supplemental Indenture to be and remain in full force and effect.

## ARTICLE I

### DEFINITIONS

In this First Supplemental Indenture capitalized terms used without definition shall have the meanings ascribed thereto in the Master Indenture and, in addition, the following terms shall have the meanings specified below, unless otherwise expressly provided or unless the context otherwise requires:

"Acquisition Agreements" shall mean, collectively, the Agreement Regarding the Acquisition of Certain Work Product and Infrastructure, by and between the District and the Developer and the Agreement Regarding the Acquisition of Certain Work Product and Infrastructure, by and between the District and the Master Landowner, each dated October 26, 2018.

"Arbitrage Certificate" shall mean that certain Arbitrage Certificate of the Issuer, dated October 26, 2018, relating to certain restrictions on arbitrage under the Code.

"Assessment Methodology" shall mean, collectively, the Del Webb Bexley Community Development District Amended and Restated Master Special Assessment Allocation Report originally dated February 28, 2018 and amended September 12, 2018, as supplemented by the Final Supplemental Special Assessment Allocation Report dated October 17, 2018, each as prepared by the Methodology Consultant and relating to the Series 2018 Bonds, including, without limitation, all exhibits and appendices thereto.

"Assessment Resolutions" shall mean Resolution Nos. 2018-32, 2018-33, 2018-35 and 2019-01 of the Issuer adopted February 28, 2018, February 28, 2018, April 25, 2018 and October 24, 2018, respectively, as amended and supplemented from time to time.

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Series 2018 Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2018 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Indenture; provided, however, that Pledged Revenues shall not include (A) any moneys transferred to the Rebate Fund, or investment earnings thereon, and (B) "special assessments" levied and collected by the Issuer under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the Issuer under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Indenture shall not apply to any of the moneys described in the foregoing clauses (A) and (B) of this proviso).

"Redemption Date" shall mean February 1, May 1, August 1 and November 1.

"Registrar" shall mean the Trustee, and its successors and assigns as Registrar hereunder.

"Regular Record Date" shall mean the fifteenth (15<sup>th</sup>) day (whether or not a Business Day) of the calendar month next preceding each Interest Payment Date.

"Resolution" shall mean, collectively, Resolution 2018-31 of the Issuer adopted on February 28, 2018, as supplemented by Resolution 2018-40 of the Issuer adopted on September 12, 2018.

"Series 2018 Acquisition and Construction Account" shall mean the Account so designated, established as a separate Account within the Acquisition and Construction Fund pursuant to Section 4.01(a) of this First Supplemental Indenture.

"Series 2018 Bond Redemption Fund" shall mean the Series 2018 Bond Redemption Fund established pursuant to Section 4.01(g) of this First Supplemental Indenture.

"Series 2018 Costs of Issuance Subaccount" shall mean the Account so designated, established as a separate Subaccount within the Series 2018 Acquisition and Construction Account pursuant to Section 4.01(a) of this First Supplemental Indenture.

"Series 2018 Debt Service Reserve Account" shall mean the Account so designated, established as a separate Account within the Debt Service Reserve Fund pursuant to Section 4.01(f) of this First Supplemental Indenture.

"Series 2018 Debt Service Reserve Requirement" shall mean, an amount equal to fifty percent (50%) of the maximum annual Debt Service Requirement for the Series 2018 Bonds as of any date of calculation as provided for herein, which initially is \$346,253.75.

"Series 2018 General Account" shall mean the Account so designated, established as a separate Account under the Series 2018 Bond Redemption Fund pursuant to Section 4.01(g) of this First Supplemental Indenture.

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"Series 2018 Interest Account" shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 4.01(d) of this First Supplemental Indenture.

"Series 2018 Lands" shall mean that portion of the District Lands subject to the lien of the Series 2018 Special Assessments.

"Series 2018 Prepayment" shall mean the payment by any owner of property of the amount of Series 2018 Special Assessments encumbering its property, in whole or in part, prior to its scheduled due date, including optional prepayments and prepayments which become due pursuant to the "true-up" mechanism contained in the Assessment Resolutions and the True-Up Agreements. "Prepayments" shall include, without limitation, Series 2018 Prepayment Principal.

"Series 2018 Prepayment Account" shall mean the Account so designated, established as a separate Account under the Series 2018 Bond Redemption Fund pursuant to Section 4.01(g) of this First Supplemental Indenture.

"Series 2018 Prepayment Principal" shall mean the portion of a Prepayment corresponding to the principal amount of Series 2018 Special Assessments being prepaid.

"Series 2018 Principal Account" shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 4.01(c) of this First Supplemental Indenture.

"Series 2018 Project" shall mean the portion of the Capital Improvement Plan (as described in the Engineer's Report) financed with proceeds of the Series 2018 Bonds.

"Series 2018 Revenue Account" shall mean the Account so designated, established as a separate Account within the Revenue Fund pursuant to Section 4.01(b) of this First Supplemental Indenture.

"Series 2018 Sinking Fund Account" shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 4.01(e) of this First Supplemental Indenture.

"Series 2018 Special Assessments" shall mean the Special Assessments levied on that portion of the District Lands specially benefitted by the Series 2018 Project or any portion thereof, which assessments correspond in amount to the debt service on the Series 2018 Bonds.

"Substantially Absorbed" shall mean the date on which a principal amount of the Series 2018 Special Assessments equaling at least ninety percent (90%) of the then Outstanding principal amount of the Series 2018 Bonds are levied on the District Lands with respect to which a certificate of occupancy has been issued for a structure thereon. Satisfaction of the foregoing definition shall be evidenced by the delivery by the Issuer to the Trustee of a written certificate

Issuer's written request, authenticate such Series 2018 Bonds and deliver them as specified in the request.

SECTION 2.02. Execution. The Series 2018 Bonds shall be executed by the Issuer as set forth in the Master Indenture.

SECTION 2.03. Authentication. The Series 2018 Bonds shall be authenticated as set forth in the Master Indenture. No Series 2018 Bond shall be valid until the certificate of authentication shall have been duly executed by the Trustee, as provided in the Master Indenture.

SECTION 2.04. Purpose, Designation and Denominations of, and Interest Accruals on, the Series 2018 Bonds.

(a) The Series 2018 Bonds are being issued hereunder in order to provide funds to (i) pay the Costs of the Series 2018 Project, (ii) fund the Series 2018 Debt Service Reserve Account, (iii) pay the costs of issuance of the Series 2018 Bonds, and (iv) pay the interest to become due on the Series 2018 through May 1, 2020. The Series 2018 Bonds shall be designated "Del Webb Bexley Community Development District (Pasco County, Florida) Special Assessment Bonds, Series 2018," and shall be issued as fully registered bonds without coupons in Authorized Denominations.

(b) The Series 2018 Bonds shall be dated the date of original issuance thereof. Interest on the Series 2018 Bonds shall be payable on each Interest Payment Date to maturity or prior redemption. Interest on the Series 2018 Bonds shall be payable from the most recent Interest Payment Date next preceding the date of authentication thereof to which interest has been paid, unless the date of authentication thereof is a May 1 or November 1 to which interest has been paid, in which case from such date of authentication, or unless the date of authentication thereof is prior to November 1, 2018, in which case from the date of original issuance of the Series 2018 Bonds, or unless the date of authentication thereof is between a Record Date and the next succeeding Interest Payment Date, in which case from such Interest Payment Date.

(c) Except as otherwise provided in Section 2.07 of this First Supplemental Indenture in connection with a book-entry only system of registration of the Series 2018 Bonds, the principal or Redemption Price of the Series 2018 Bonds shall be payable in lawful money of the United States of America at the designated corporate trust office of the Paying Agent upon presentation of such Series 2018 Bonds. Except as otherwise provided in Section 2.07 of this First Supplemental Indenture in connection with a book-entry only system of registration of the Series 2018 Bonds, the payment of interest on the Series 2018 Bonds shall be made on each Interest Payment Date to the Owners of the Series 2018 Bonds by check or draft drawn on the Paying Agent and mailed on the applicable Interest Payment Date to each Owner as such Owner appears on the Bond Register maintained by the Registrar as of the close of business on the Regular Record Date, at his address as it appears on the Bond Register. Any interest on any

of the Methodology Consultant to such effect and upon which the Trustee may conclusively rely.

"True-Up Agreements" shall mean, collectively, the True-Up Agreement between the District and the Developer and the True-Up Agreement between the District and the Master Landowner, each dated October 26, 2018.

"Trustee" shall mean U.S. Bank National Association, a national banking association, and its successors and assigns.

"Uniform Method" shall mean the uniform method for the levy, collection and enforcement of Assessments afforded by Sections 197.3631, 197.3632 and 197.3635, Florida Statutes, as amended.

The words "hereof," "herein," "hereto," "hereby," and "hereunder" (except in the forms of Series 2018 Bonds), refer to the entire Indenture.

Every "request," "requisition," "order," "demand," "application," "notice," "statement," "certificate," "consent," or similar action hereunder by the Issuer shall, unless the form or execution thereof is otherwise specifically provided, be in writing signed by a Responsible Officer of the Issuer.

All words and terms importing the singular number shall, where the context requires, import the plural number and vice versa.

ARTICLE II

THE SERIES 2018 BONDS

SECTION 2.01. Amounts and Terms of Series 2018 Bonds; Issue of Series 2018 Bonds. No Series 2018 Bonds may be issued under this First Supplemental Indenture except in accordance with the provisions of this Article and Articles II and III of the Master Indenture.

(a) The total principal amount of Series 2018 Bonds that may be issued under this First Supplemental Indenture is expressly limited to \$10,180,000. The Series 2018 Bonds shall be numbered consecutively from R-1 and upwards.

(b) Any and all Series 2018 Bonds shall be issued substantially in the form attached as Exhibit C to the Master Indenture, with such appropriate variations, omissions and insertions as are permitted or required by the Indenture and with such additional changes as may be necessary or appropriate to conform to the provisions of the Resolution and this First Supplemental Indenture. The Issuer shall issue the Series 2018 Bonds upon execution of this First Supplemental Indenture and satisfaction of the requirements of Section 3.01 of the Master Indenture; and the Trustee shall, at the

Series 2018 Bond which is payable, but is not punctually paid or provided for on any Interest Payment Date (hereinafter called "Defaulted Interest") shall be paid to the Owner in whose name the Series 2018 Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be not more than fifteen (15) nor less than ten (10) days prior to the date of proposed payment. The Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class, postage-prepaid, to each Owner of record as of the fifth (5<sup>th</sup>) day prior to such mailing, at his address as it appears in the Bond Register not less than ten (10) days prior to such Special Record Date. The foregoing notwithstanding, any Owner of Series 2018 Bonds in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Paying Agent, upon requesting the same in a writing received by the Paying Agent at least fifteen (15) days prior to the relevant Interest Payment Date, which writing shall specify the bank, which shall be a bank within the continental United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Paying Agent, and any such rescission or change of wire transfer instructions must be received by the Paying Agent at least fifteen (15) days prior to the relevant Interest Payment Date.

SECTION 2.05. Debt Service on the Series 2018 Bonds.

(a) The Series 2018 Bonds will mature on May 1 in the years, be issued in the principal amounts and bear interest at the rates per annum, subject to the right of prior redemption in accordance with their terms, as follows.

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
May 1, 2023	\$500,000	4.200%
May 1, 2028	1,000,000	4.625
May 1, 2039	3,350,000	5.300
May 1, 2049	5,330,000	5.400

(b) Interest on the Series 2018 Bonds will be computed in all cases on the basis of a 360-day year comprised of twelve 30-day months. Interest on overdue principal and, to the extent lawful, on overdue interest will be payable at the numerical rate of interest borne by the Series 2018 Bonds on the day before the default occurred.

SECTION 2.06. Disposition of Series 2018 Bond Proceeds. From the net proceeds of the Series 2018 Bonds received by the Trustee, which shall be \$9,976,400.00 (reflecting the aggregate principal amount of the Series 2018 Bonds of \$10,180,000.00 less an underwriter's discount of \$203,600.00 and retained by the purchaser of the Series 2018 Bonds);

(a) \$346,253.75, which is an amount equal to the initial Series 2018 Debt Service Reserve Requirement, shall be deposited in the Series 2018 Debt Service Reserve Account of the Debt Service Reserve Fund;

(b) \$200,000.00 shall be deposited into the Series 2018 Costs of Issuance Subaccount of the Series 2018 Acquisition and Construction Account and applied to pay costs of issuance of the Series 2018 Bonds;

(c) \$806,327.50 shall be deposited into the Series 2018 Interest Account and applied to pay capitalized interest on the Series 2018 Bonds due through May 1, 2020; and

(d) \$8,623,818.75, constituting all remaining proceeds of the Series 2018 Bonds, shall be deposited in the Series 2018 Acquisition and Construction Account of the Acquisition and Construction Fund to be applied to pay Costs of the Series 2018 Project in accordance with Article V of the Master Indenture.

**SECTION 2.07. Book-Entry Form of Series 2018 Bonds.** The Series 2018 Bonds shall be issued as one fully registered bond per maturity and deposited with The Depository Trust Company, New York, New York ("DTC"), which is responsible for establishing and maintaining records of ownership for its participants.

The Issuer shall enter into a letter of representations with DTC providing for such book-entry only system, in accordance with the provisions of Section 2.11 of the Master Indenture. Such agreement may be terminated at any time by either DTC or the Issuer. In the event of such termination, the Issuer shall select another securities depository. If the Issuer does not replace DTC within sixty (60) days of such termination and, in all instances, prior to the next Interest Payment Date, the Trustee will, at the expense of the Issuer, register and deliver to the Beneficial Owners replacement Series 2018 Bonds in the form of fully registered Series 2018 Bonds in accordance with the instructions from Cede & Co. While the Series 2018 Bonds are registered in book-entry only, presentation of the Series 2018 Bonds is not necessary for payment thereon.

**SECTION 2.08. Appointment of Registrar and Paying Agent.** The Issuer shall keep, at the designated corporate trust office of the Registrar, books (the "Bond Register") for the registration, transfer and exchange of the Series 2018 Bonds, and hereby appoints the Trustee, as its Registrar to keep such books and make such registrations, transfers, and exchanges as required hereby. The Trustee hereby accepts its appointment as Registrar and its duties and responsibilities as Registrar hereunder. Registrations, transfers and exchanges shall be without charge to the Bondholder requesting such registration, transfer or exchange, but such Bondholder shall pay any taxes or other governmental charges on all registrations, transfers and exchanges.

The Issuer hereby appoints the Trustee as Paying Agent for the Series 2018 Bonds. The Trustee hereby accepts its appointment as Paying Agent and its duties and responsibilities as Paying Agent hereunder.

**SECTION 2.09. Conditions Precedent to the Issuance of the Series 2018 Bonds.** In addition to complying with the requirements set forth in the Master Indenture in connection

Bonds shall be made in such a manner that the remaining Series 2018 Bonds held by each Bondholder shall be in Authorized Denominations, except for the last remaining Series 2018 Bond of each maturity.

(a) **Optional Redemption.** The Series 2018 Bonds may, at the option of the Issuer in writing, be called for redemption prior to maturity in whole or in part at any time on or after May 1, 2029 (less than all Series 2018 Bonds to be specified by the Issuer in writing), at a Redemption Price equal to 100% of the principal amount of Series 2018 Bonds to be redeemed plus accrued interest from the most recent Interest Payment Date to the date of redemption.

(b) **Extraordinary Mandatory Redemption in Whole or in Part.** The Series 2018 Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole, on any date, or in part, on any Redemption Date, at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Series 2018 Bonds to be redeemed, plus interest accrued to the date of redemption, as follows:

(i) from Series 2018 Prepayments deposited into the Series 2018 Prepayment Account of the Series 2018 Bond Redemption Fund following the payment in whole or in part of Series 2018 Special Assessments on any portion of the Series 2018 Lands in accordance with the provisions of Section 4.05(a) of this First Supplemental Indenture, including any excess moneys transferred from the Series 2018 Debt Service Reserve Account to the Series 2018 Prepayment Account of the Series 2018 Bond Redemption Fund resulting from such Series 2018 Prepayment pursuant to Section 4.01(f)(ii) of this First Supplemental Indenture.

(ii) on or after the Completion Date of the Series 2018 Project, by application of moneys remaining in the Series 2018 Acquisition and Construction Account of the Acquisition and Construction Fund not reserved by the Issuer for the payment of any remaining part of the Cost of the Series 2018 Project, which has been transferred as specified in Section 4.01(a) hereof to the Series 2018 General Account of the Series 2018 Bond Redemption Fund, credited toward extinguishment of the Series 2018 Special Assessments and applied toward the redemption of the Series 2018 Bonds in accordance with the manner it has credited such excess moneys toward extinguishment of Series 2018 Special Assessments which the Issuer shall describe to the Trustee in writing.

(iii) following condemnation or the sale of any portion of the Series 2018 Project to a governmental entity under threat of condemnation by such governmental entity and the payment of moneys which are not to be used to rebuild, replace or restore the taken portion of the Series 2018 Project to the Trustee by or on behalf of the Issuer for deposit into the Series 2018 General Account of the Series 2018 Bond Redemption Fund in order to effectuate such redemption and, which moneys shall be applied by the Issuer to redeem Series 2018 Bonds in accordance with the manner it

with the issuance of the Series 2018 Bonds, all the Series 2018 Bonds shall be executed by the Issuer for delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Issuer or upon its order, but only upon the further receipt by the Trustee of:

(a) Certified copies of the Assessment Resolutions;

(b) Executed originals of the Master Indenture and this First Supplemental Indenture;

(c) An opinion of Counsel to the District addressed to the District and the Trustee substantially to the effect that (i) the Issuer has been duly established and validly exists as a community development district under the Act, (ii) the Issuer has good right and lawful authority under the Act to undertake the Series 2018 Project being financed with the proceeds of the Series 2018 Bonds, subject to obtaining such licenses, orders or other authorizations as are, at the date of such opinion, required to be obtained from any agency or regulatory body having lawful jurisdiction in order to construct, acquire, own and operate the Series 2018 Project, (iii) all proceedings undertaken by the Issuer with respect to the Series 2018 Special Assessments have been in accordance with Florida law, (iv) the Issuer has taken all action necessary to levy and impose the Series 2018 Special Assessments, and (v) the Series 2018 Special Assessments are legal, valid and binding liens upon the property against which such Series 2018 Special Assessments are made, coequal with the lien of all state, county, district and municipal taxes, superior in dignity to all other liens, titles and claims, until paid;

(d) A certificate of a Responsible Officer to the effect that, upon the authentication and delivery of the Series 2018 Bonds, the Issuer will not be in default in the performance of the terms and provisions of the Master Indenture or this First Supplemental Indenture;

(e) Executed copies of the Acquisition Agreements, Collateral Assignments, and True-Up Agreements.

Delivery to the Trustee of the net proceeds from the issuance and sale of the Series 2018 Bonds is conclusive evidence of the satisfaction of conditions precedent for authentication of the Series 2018 Bonds.

### ARTICLE III

#### REDEMPTION OF SERIES 2018 BONDS

**SECTION 3.01. Redemption Dates and Prices.** The Series 2018 Bonds shall be subject to redemption at the times and in the manner provided in Article VIII of the Master Indenture and in this Article III. All payments of the Redemption Price of the Series 2018 Bonds shall be made on the dates hereinafter required. If less than all the Series 2018 Bonds are to be redeemed pursuant to an optional redemption or an extraordinary mandatory redemption, the portions of the Series 2018 Bonds to be redeemed shall be selected as provided in Section 8.03 of the Master Indenture unless specifically provided herein. Partial redemptions of Series 2018

has credited such moneys toward extinguishment of Series 2018 Special Assessments which the Issuer shall describe to the Trustee in writing.

(iv) following the damage or destruction of all or substantially all of the Series 2018 Project to such extent that, in the reasonable opinion of the Issuer, the repair and restoration thereof would not be economical or would be impracticable, to the extent of amounts paid by the Issuer to the Trustee for deposit to the Series 2018 General Account of the Series 2018 Bond Redemption Fund which moneys shall be applied by the Issuer to redeem Series 2018 Bonds in accordance with the manner it has credited such moneys toward extinguishment of Series 2018 Special Assessments; provided, however, that at least forty-five (45) days prior to such extraordinary mandatory redemption, the Issuer shall cause to be delivered to the Trustee (x) notice setting forth the date of redemption and (y) a certificate of the Consulting Engineer confirming that the repair and restoration of the Series 2018 Project would not be economical or would be impracticable, such certificate upon which the Trustee shall be entitled to rely.

(v) from moneys, if any, on deposit in the Series 2018 Funds and Accounts (other than the Rebate Fund) sufficient to pay and redeem all Outstanding Series 2018 Bonds and accrued interest thereon to the date of redemption in addition to all amounts owed to Persons under the Indenture.

(c) **Mandatory Sinking Fund Redemption.** The Series 2018 Bond maturing on May 1, 2023, is subject to mandatory redemption in part by the Issuer by lot prior to its scheduled maturity from moneys in the Series 2018 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year (May 1)	Sinking Fund Installment
2021	\$160,000
2022	165,000
2023*	175,000

\*Final Maturity

The Series 2018 Bond maturing on May 1, 2028, is subject to mandatory redemption in part by the Issuer by lot prior to its scheduled maturity from moneys in the Series 2018 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year (May 1)	Sinking Fund Installment	Year (May 1)	Sinking Fund Installment
2024	\$180,000	2027	\$210,000
2025	190,000	2028*	220,000
2026	200,000		

\*Final Maturity

The Series 2018 Bond maturing on May 1, 2039, is subject to mandatory redemption in part by the Issuer by lot prior to its scheduled maturity from moneys in the Series 2018 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year (May 1)	Sinking Fund Installment	Year (May 1)	Sinking Fund Installment
2029	\$230,000	2035	\$315,000
2030	245,000	2036	335,000
2031	255,000	2037	355,000
2032	270,000	2038	370,000
2033	285,000	2039*	390,000
2034	300,000		

\*Final Maturity

The Series 2018 Bond maturing on May 1, 2049, is subject to mandatory redemption in part by the Issuer by lot prior to its scheduled maturity from moneys in the Series 2018 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year (May 1)	Sinking Fund Installment	Year (May 1)	Sinking Fund Installment
2040	\$415,000	2045	\$540,000
2041	435,000	2046	570,000
2042	460,000	2047	605,000
2043	485,000	2048	635,000
2044	515,000	2049*	670,000

\*Final Maturity

SECTION 3.02. Notice of Redemption. When required to redeem Series 2018 Bonds under any provision of this First Supplemental Indenture or directed to redeem Series 2018 Bonds by the Issuer, the Trustee shall give or cause to be given to Owners of the Series 2018 Bonds to be redeemed notice of the redemption, as set forth in Section 8.02 of the Master Indenture.

#### ARTICLE IV

#### ESTABLISHMENT OF CERTAIN FUNDS AND ACCOUNTS; ADDITIONAL COVENANTS OF THE ISSUER; PREPAYMENTS; REMOVAL OF SPECIAL ASSESSMENT LIENS

##### SECTION 4.01. Establishment of Certain Funds and Accounts.

(a) The Trustee shall establish a separate Account within the Acquisition and Construction Fund designated as the "Series 2018 Acquisition and Construction Account." Proceeds of the Series 2018 Bonds shall be deposited into the Series 2018 Acquisition and Construction Account in the amount set forth in Section 2.06 of this First Supplemental Indenture, together with any excess moneys transferred to the Series 2018 Acquisition and Construction Account, and such moneys in the Series 2018 Acquisition and Construction Account shall be applied as set forth in Article V of the Master Indenture and Sections 4.01(a) and 3.01(b)(ii) of this First Supplemental Indenture. After the Completion Date of the Series 2018 Project and after retaining in the Series 2018 Acquisition and Construction Account the amount, if any, of all remaining unpaid Costs of the Series 2018 Project set forth in the Consulting Engineer's Certificate establishing such Completion Date, any funds remaining in the Series 2018 Acquisition and Construction Account shall be transferred to and deposited into the Series 2018 General Account of the Series 2018 Bond Redemption Fund and applied to the extraordinary mandatory redemption of the Series 2018 Bonds, and the Series 2018 Acquisition and Construction Account shall be closed.

There is hereby established within the Series 2018 Acquisition and Construction Account of the Acquisition and Construction Fund held by the Trustee a "Series 2018 Costs of Issuance Subaccount." Amounts in the Series 2018 Costs of Issuance Subaccount shall be applied by the

Trustee to pay the costs relating to the issuance of the Series 2018 Bonds. Six months after the date of issuance of the Series 2018 Bonds, any moneys remaining in the Series 2018 Costs of Issuance Subaccount which have not been requisitioned by the Issuer to pay costs relating to the issuance of the Series 2018 Bonds shall be deposited into the Series 2018 Acquisition and Construction Account and applied as set forth in Article V of the Master Indenture and Section 4.01(a) of this First Supplemental Indenture, and the Series 2018 Costs of Issuance Subaccount shall be closed.

(b) Pursuant to Section 6.03 of the Master Indenture, the Trustee shall establish a separate Account within the Revenue Fund designated as the "Series 2018 Revenue Account." Series 2018 Special Assessments (except for Series 2018 Prepayments which shall be identified as such by the Issuer to the Trustee to be deposited in the Series 2018 Prepayment Account) shall be deposited by the Trustee into the Series 2018 Revenue Account which shall be applied as set forth in Article VI of the Master Indenture and Section 4.02 of this First Supplemental Indenture.

(c) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2018 Principal Account." Moneys shall be deposited into such Account as provided in Article VI of the Master Indenture and Section 4.02 of this First Supplemental Indenture, and applied for the purposes provided therein.

(d) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2018 Interest Account." Proceeds of the Series 2018 Bonds shall be deposited into such Account in the amount set forth in Section 2.06(c) of this First Supplemental Indenture. Moneys deposited into such Account pursuant to the Master Indenture and Section 4.02 of this First Supplemental Indenture, shall be applied for the purposes provided therein.

(e) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2018 Sinking Fund Account." Moneys shall be deposited into such Account as provided in Article VI of the Master Indenture and Section 4.02 of this First Supplemental Indenture and applied for the purposes provided therein and in Sections 3.01(c) of this First Supplemental Indenture.

(f) Pursuant to Section 6.05 of the Master Indenture, the Trustee shall establish an Account within the Debt Service Reserve Fund designated as the "Series 2018 Debt Service Reserve Account."

(i) Proceeds of the Series 2018 Bonds shall be deposited into the Series 2018 Debt Service Reserve Account in the amount set forth in Section 2.06(a) of this First Supplemental Indenture, which account will be held for the benefit of all of the Series 2018 Bonds, without privilege or priority of one Series 2018 Bond over another, and such moneys, together with any other moneys deposited into such Account

pursuant to the Master Indenture, shall be applied for the purposes provided therein and in this Section 4.01(f). On each March 15, June 15, September 15 and December 15 (or, if such date is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amounts on deposit in the Series 2018 Debt Service Reserve Account and transfer any excess therein (except for excess resulting from interest earnings as provided in Section 4.01(f)(iii) below and excess resulting from Prepayments as provided in Section 4.01(f)(ii) below) above the Series 2018 Debt Service Reserve Requirement, as follows: (A) prior to the Completion Date of the Series 2018 Project, to the Series 2018 Acquisition and Construction Account of the Acquisition and Construction Fund, and (B) on and after the Completion Date of the Series 2018 Project, such amounts shall be transferred to the Series 2018 Revenue Account.

(ii) Notwithstanding the foregoing paragraph, so long as no Event of Default has occurred and has not been cured, upon an optional prepayment by the owner of a lot or parcel of land of a Series 2018 Special Assessment against such lot or parcel as provided in Section 4.05(a) of this First Supplemental Indenture, the District, on March 15, June 15, September 15 and December 15 (or, if such date is not a Business Day, on the Business Day next preceding such day), shall determine the Series 2018 Debt Service Reserve Requirement, taking into account such optional prepayment and shall direct the Trustee in writing to transfer any amount on deposit in the Series 2018 Debt Service Reserve Account in excess of the Series 2018 Debt Service Reserve Requirement (except for excess resulting from interest earnings) from the Series 2018 Debt Service Reserve Account to the Series 2018 Prepayment Account of the Series 2018 Bond Redemption Fund, as a credit against the Series 2018 Prepayment otherwise required to be made by the owner of such lot or parcel.

(iii) Earnings on investments in the Series 2018 Debt Service Reserve Account shall be disposed of as follows:

(A) If as of the last date on which amounts on deposit in the Series 2018 Debt Service Reserve Account were valued by the Trustee there was a deficiency in the Series 2018 Debt Service Reserve Account, or if after such date withdrawals have been made from the Series 2018 Debt Service Reserve Account and have created such a deficiency, then earnings on investments in the Series 2018 Debt Service Reserve Account shall be deposited to the credit of the Series 2018 Debt Service Reserve Account until the amounts on deposit therein equal the Series 2018 Debt Service Reserve Requirement; and

(B) As long as no notice of an Event of Default under the Indenture has been delivered to the Trustee or if such Event of Default described in a notice has been cured or waived as provided in the Master Indenture, and the amount in the Series 2018 Debt Service Reserve Account is not reduced below the then Series 2018 Debt Service Reserve Requirement, then earnings on investments in such Account shall be applied as follows: (x) prior to the

Completion Date of the Series 2018 Project, to the Series 2018 Acquisition and Construction Account of the Acquisition and Construction Fund, and (y) on and after the Completion Date of the Series 2018 Project, to the Series 2018 Revenue Account of the Revenue Fund. Upon the occurrence and continuance of an Event of Default, earnings on investments in the Series 2018 Debt Service Reserve Account shall remain therein.

(g) Pursuant to Section 6.06 of the Master Indenture, the Trustee shall establish a separate Series Bond Redemption Fund designated as the "Series 2018 Bond Redemption Fund" and within such Fund, a "Series 2018 General Account" and a "Series 2018 Prepayment Account." Except as otherwise provided in this First Supplemental Indenture, moneys to be deposited into the Series 2018 Bond Redemption Fund, as provided in Article VI of the Master Indenture shall be deposited to the Series 2018 General Account of the Series 2018 Bond Redemption Fund. Series 2018 Prepayments shall be identified as such by the Issuer to the Trustee to then be deposited directly into the Series 2018 Prepayment Account of the Series 2018 Bond Redemption Fund, as provided in the Indenture.

(h) (i) Moneys in the Series 2018 General Account (including all earnings on investments held therein) shall be accumulated therein to be used in the following order of priority, to the extent that the need therefor arises:

FIRST, to make such deposits into the Rebate Fund for the Series 2018 Bonds, if any, as the Issuer may direct in writing in accordance with the Arbitrage Certificate, such moneys thereupon to be used solely for the purposes specified in the Arbitrage Certificate. Any moneys so transferred from the Series 2018 General Account to the Rebate Fund shall thereupon be free from the lien and pledge of the Indenture;

SECOND, to be used to call for redemption pursuant to Section 3.01(b)(ii), (iii), (iv) and (v) hereof an amount of Series 2018 Bonds equal to the amount of money transferred to the Series 2018 General Account pursuant to the aforesaid clauses or provisions, as appropriate, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in such clauses or provisions, as appropriate; and

THIRD, the remainder to be utilized by the Trustee, at the written direction of a Responsible Officer, to call for redemption such Series 2018 Bonds that are subject to optional redemption pursuant to Section 3.01(a) hereof such amount of Series 2018 Bonds as, with the redemption premium, may be practicable; provided, however, that not less than \$5,000 principal amount of Bonds shall be called for redemption at one time.

(ii) Moneys in the Series 2018 Prepayment Account of the Series 2018 Bond Redemption Fund (including all earnings on investments therein) shall be accumulated therein to be used to call for redemption pursuant to Section 3.01(b)(i) hereof an amount of Series 2018 Bonds equal to the amount of money transferred to the Series 2018

Prepayment Account pursuant to the aforesaid provision, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in Section 3.01(b)(i) hereof.

SECTION 4.02. Series 2018 Revenue Account. The Trustee shall transfer from amounts on deposit in the Series 2018 Revenue Account of the Revenue Fund to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, not later than the Business Day preceding each May 1 and November 1, to the Series 2018 Interest Account of the Debt Service Fund, an amount equal to the interest on the Series 2018 Bonds due on such May 1 or November 1, less any amounts on deposit in the Series 2018 Interest Account not previously credited;

SECOND, no later than the Business Day next preceding each May 1, to the Series 2018 Principal Account of the Debt Service Fund, an amount equal to the principal amount of Series 2018 Bonds Outstanding and maturing on such May 1, if any, less any amounts on deposit in the Series 2018 Principal Account not previously credited;

THIRD, no later than the Business Day next preceding each May 1, to the Series 2018 Sinking Fund Account of the Debt Service Fund, an amount equal to the principal amount of Series 2018 Bonds subject to sinking fund redemption on such May 1, less any amount on deposit in the Series 2018 Sinking Fund Account not previously credited;

FOURTH, upon receipt but no later than the Business Day next succeeding each Interest Payment Date, to the Series 2018 Debt Service Reserve Account an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2018 Debt Service Reserve Requirement;

FIFTH, notwithstanding the foregoing, at any time the Series 2018 Bonds are subject to redemption on a date which is not a May 1 or November 1 Interest Payment Date, the Trustee shall be authorized to transfer to the Series 2018 Interest Account the amount necessary to pay interest on the Series 2018 Bonds subject to redemption on such date; and

SIXTH, subject to the following paragraph, the balance of any moneys remaining after making the foregoing deposits shall remain in the Series 2018 Revenue Account unless pursuant to the Arbitrage Certificate it is necessary to make a deposit into the Rebate Fund, in which case the Issuer shall direct the Trustee in writing to make such deposit thereto.

On or after each November 2, the Trustee shall transfer to the Issuer, at the Issuer's written direction, the balance on deposit in the Series 2018 Revenue Account on such November 2 to be used for any lawful purpose of the Issuer; provided, however, that on the date of such proposed transfer the amount on deposit in the Series 2018 Debt Service Reserve Account shall

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be equal to the Series 2018 Debt Service Reserve Requirement and, provided, further, that no notice of an Event of Default under the Indenture has been delivered to the Trustee, including the payment of Trustee's fees and expenses then due.

SECTION 4.03. Power to Issue Series 2018 Bonds and Create Lien. The Issuer is duly authorized under the Act and all applicable laws of the State to issue the Series 2018 Bonds, to execute and deliver the Indenture and to pledge the Pledged Revenues for the benefit of the Series 2018 Bonds to the extent set forth herein. The Pledged Revenues are not and shall not be subject to any other lien senior to or on a parity with the lien created in favor of the Series 2018 Bonds, except for Bonds issued to refund all or a portion of the Series 2018 Bonds. The Series 2018 Bonds and the provisions of the Indenture are and will be valid and legally enforceable obligations of the Issuer in accordance with their respective terms. The Issuer shall, at all times, to the extent permitted by law, defend, preserve and protect the pledge created by the Indenture and all the rights of the Owners of the Series 2018 Bonds under the Indenture against all claims and demands of all persons whomsoever.

SECTION 4.04. Series 2018 Project to Conform to Plans and Specifications; Changes. The Issuer will proceed to complete the Series 2018 Project, as described in the Engineer's Report, in accordance with the plans and specifications therefor, as such plans and specifications may be amended by the Issuer from time to time; provided that prior to any such amendment of the plans and specifications for the Series 2018 Project, the Consulting Engineer shall have delivered its certificate approving the proposed amendment to such plans and specifications.

SECTION 4.05. Prepayments; Removal of Special Assessment Liens.

(a) At any time any owner of property subject to the Series 2018 Special Assessments may, at its option, or under certain circumstances described in the Assessment Resolutions in connection with Prepayments derived from application of the "true-up" mechanism therein, require the Issuer to reduce or release and extinguish the lien upon its property by virtue of the levy of the Series 2018 Special Assessments by paying to the Issuer all or a portion of the Series 2018 Special Assessment which shall constitute Series 2018 Prepayments as directed in writing by the Issuer pursuant to the provisions of Section 4.01(h)(ii) of this First Supplemental Indenture, plus accrued interest to the next succeeding Redemption Date (or the second succeeding Redemption Date if such prepayment is made within forty-five (45) calendar days before a Redemption Date), attributable to the property subject to Series 2018 Special Assessment owned by such owner; provided, however, to the extent that such payments are to be used to redeem Series 2018 Bonds in the event the amount in the Series 2018 Debt Service Reserve Account will exceed the Series 2018 Debt Service Reserve Requirement as a result of a Series 2018 Prepayment in accordance with this Section 4.05(a) and the resulting redemption in accordance with Section 3.01(b)(i) of this First Supplemental Indenture of Series 2018 Bonds, the excess amount above the Series 2018 Debt Service Reserve Requirement shall be transferred from the Series 2018 Debt Service Reserve Account to the Series 2018 Prepayment Account of the Series 2018 Bond Redemption Fund, as a credit against the Series 2018

Prepayment otherwise required to be paid by the owner of such lot or parcel, upon written instructions of the Issuer together with a certificate of a Responsible Officer of the Issuer stating that, after giving effect to such transfers sufficient moneys will be on deposit in the Series 2018 Debt Service Reserve Account to equal or exceed the Series 2018 Debt Service Reserve Requirement and accompanied by cash flows which demonstrate that, after giving effect to the proposed redemption of Series 2018 Bonds, there will be sufficient Pledged Revenues to pay the principal and interest, when due, on all Series 2018 Bonds that will remain Outstanding. The written instructions shall be delivered to the Trustee on the 46th day prior to a Redemption Date.

(b) Upon receipt of Series 2018 Prepayments as described in paragraph (a) above, which includes accrued interest to the next succeeding Redemption Date (or the second succeeding Redemption Date if such prepayment is made within forty-five (45) calendar days before a Redemption Date), subject to satisfaction of the conditions set forth therein, the Issuer shall immediately pay the amount so received to the Trustee and clearly identify in writing such amounts as a Series 2018 Prepayment and the Issuer shall take such action as is necessary to record in the official records of the County an affidavit or affidavits, as the case may be, executed by the District Manager, to the effect that the Series 2018 Special Assessment has been paid in whole or in part and that such Series 2018 Special Assessment lien is thereby reduced, or released and extinguished, as the case may be. Upon receipt of any such moneys from the Issuer the Trustee shall immediately deposit the same into the Series 2018 Prepayment Account of the Series 2018 Bond Redemption Fund to be applied in accordance with Section 4.01(h)(ii) of this First Supplemental Indenture, to the redemption of Series 2018 Bonds in accordance with Section 3.01(b)(i) of this First Supplemental Indenture.

The Trustee may conclusively rely on the Issuer's determination of what moneys constitute Prepayments. The Trustee shall calculate the amount available for the extraordinary mandatory redemption of the applicable Series 2018 Bonds pursuant to Section 3.01(b)(i) of this First Supplemental Indenture on each March 15, June 15, September 15 and December 15.

## ARTICLE V

### ADDITIONAL COVENANTS OF THE ISSUER

SECTION 5.01. Collection of Series 2018 Special Assessments. Notwithstanding Section 9.04 of the Master Trust Indenture, the Series 2018 Special Assessments shall be directly collected and enforced by the Issuer pursuant to the provisions of the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto; provided, however, Series 2018 Special Assessments levied on platted lots not owned by the Developer or the Master Landowner and pledged hereunder to secure the Series 2018 Bonds will be collected pursuant to the Uniform Method pursuant to Section 9.04 of the Master Trust Indenture. The

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Issuer covenants to enter into a Property Appraiser and Tax Collector Agreement with the County in order to comply with the provisions of this Section.

Notwithstanding the immediately preceding paragraph or any other provision in the Indenture to the contrary, upon the occurrence of an Event of Default, if the Trustee, acting at the written direction of the Majority Owners of the Series 2018 Bonds, requests that the Issuer not use the Uniform Method, but instead collect and enforce Series 2018 Special Assessments pursuant to another available method under the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto, then the Issuer shall collect and enforce said Series 2018 Special Assessments in the manner and pursuant to the method so requested by the Trustee.

Any Series 2018 Special Assessments that are not collected pursuant to the Uniform Method shall be billed directly to the applicable landowner and be payable not later than thirty (30) days prior to each Interest Payment Date.

**SECTION 5.02. Additional Covenant Regarding Series 2018 Special Assessments.** In addition to, and not in limitation of, the covenants contained elsewhere in the Indenture, the Issuer covenants to comply with the terms of the proceedings heretofore adopted with respect to the Series 2018 Special Assessments, including the Assessment Resolution and the Assessment Methodology, and to levy the Series 2018 Special Assessments and any required true-up payments set forth in the Assessment Methodology, in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2018 Bonds, when due.

**SECTION 5.03. Foreclosure of Assessment Lien.** Notwithstanding Section 9.06 of the Master Indenture or any other provision of the Indenture to the contrary, the following provisions shall apply with respect to the Series 2018 Special Assessments and Series 2018 Bonds.

If any property shall be offered for sale for the nonpayment of any Series 2018 Special Assessment and no person or persons shall purchase such property for an amount equal to the full amount due on the Series 2018 Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the property may then be purchased by the District for an amount equal to the balance due on the Series 2018 Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the District and the District shall receive in its corporate name or in the name of a special purpose entity title to the property for the benefit of the Owners of the Series 2018 Bonds; provided that the Trustee shall have the right, acting at the written direction of the Majority Owners of the Series 2018 Bonds, but shall not be obligated, to direct the District with respect to any action taken pursuant to this Section. The District, either through its own actions, or actions caused to be taken through the Trustee, shall have the power and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the related Series 2018 Revenue Account. The District, either through its own actions, or actions caused to be taken through the Trustee, agrees that it shall be required to take the measures provided by law for sale of property acquired by it as

**SECTION 5.07. Assignment of District's Rights Under Collateral Assignments.** The District hereby assigns its rights under the Collateral Assignments to the Trustee for the benefit of the Owners, from time to time, of Bonds Outstanding under the Indenture. The Trustee shall act in accordance with the written directions of the Majority Owners of the Series 2018 Bonds.

**ARTICLE VI**

**MISCELLANEOUS PROVISIONS**

**SECTION 6.01. Interpretation of Supplemental Indenture.** This First Supplemental Indenture amends and supplements the Master Indenture with respect to the Series 2018 Bonds, and all of the provisions of the Master Indenture, to the extent not inconsistent herewith, are incorporated in this First Supplemental Indenture by reference. To the maximum extent possible, the Master Indenture and the Supplemental Indenture shall be read and construed as one document.

**SECTION 6.02. Amendments.** Any amendments to this First Supplemental Indenture shall be made pursuant to the provisions for amendment contained in the Master Indenture.

**SECTION 6.03. Counterparts.** This First Supplemental Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

**SECTION 6.04. Appendices and Exhibits.** Any and all schedules, appendices or exhibits referred to in and attached to this First Supplemental Indenture are hereby incorporated herein and made a part of this First Supplemental Indenture for all purposes.

**SECTION 6.05. Payment Dates.** In any case in which an Interest Payment Date, principal payment date or the maturity date of the Series 2018 Bonds or the date fixed for the redemption of any Series 2018 Bonds shall be other than a Business Day, then payment of interest, principal or Redemption Price need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the due date, and no interest on such payment shall accrue for the period after such due date if payment is made on such next succeeding Business Day.

**SECTION 6.06. No Rights Conferred on Others.** Nothing herein contained shall confer any right upon any Person other than the parties hereto and the Holders of the Series 2018 Bonds.

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trustee for the Owners of the Series 2018 Bonds within sixty (60) days after the receipt of the request therefor signed by the Trustee or the Majority Owners of the Series 2018 Bonds.

**SECTION 5.04. No Parity Bonds; Limitation on Parity Liens.** The Issuer covenants and agrees that so long as there are any Series 2018 Bonds Outstanding, it shall not cause or permit to be caused any lien, charge or claim against the Pledged Revenues, except for refunding bonds. The Issuer further covenants and agrees that so long as the Series 2018 Special Assessments have not been Substantially Absorbed, it shall not issue any Bonds secured by Special Assessments for capital projects on lands subject at such time to the Series 2018 Special Assessments without the consent of the Majority Owners; provided, however, that the foregoing shall not preclude the imposition of Special Assessments for capital projects necessary for health, safety, and welfare reasons, to remediate a natural disaster, or imposed prior to the issuance of the Series 2018 Bonds. The Trustee shall be entitled to assume that the Series 2018 Special Assessments have not been Substantially Absorbed absent the written certification to the contrary from the Issuer.

**SECTION 5.05. Acknowledgment Regarding Series 2018 Acquisition and Construction Account Moneys Following an Event of Default.** In accordance with the provisions of the Indenture, upon the occurrence of an Event of Default with respect to the Series 2018 Bonds, the Series 2018 Bonds are payable solely from the Pledged Revenues and any other moneys held by the Trustee under the Indenture for such purpose. Anything in the Indenture to the contrary notwithstanding, the Issuer hereby acknowledges that, upon the occurrence of an Event of Default with respect to the Series 2018 Bonds, (i) the Pledged Revenues include, without limitation, all amounts on deposit in the Series 2018 Acquisition and Construction Account of the Acquisition and Construction Fund then held by the Trustee, (ii) the Pledged Revenues may not be used by the Issuer (whether to pay Costs of the Series 2018 Project or otherwise) without the consent of the Majority Owners of the Series 2018 Bonds and (iii) the Pledged Revenues may be used by the Trustee, at the written direction or with the written approval of the Majority Owners of the Series 2018 Bonds, to pay costs and expenses incurred in connection with the pursuit of remedies under the Indenture or as otherwise provided in the Master Indenture.

**SECTION 5.06. Enforcement of True-Up Agreements.** The District, either through its own actions, or actions caused to be taken through the Trustee, covenants that it shall strictly enforce all of the provisions of the True-Up Agreements, and, upon the occurrence and continuance of a default under such Agreements, the District covenants and agrees that the Trustee, at the written direction of the Majority Owners of the Series 2018 Bonds shall act on behalf of, and in the District's stead, to enforce the provisions of such Agreements and to pursue all available remedies under applicable law or in equity. Anything herein or in the Master Indenture to the contrary notwithstanding, failure of the District to enforce, or permit the Trustee to enforce in its stead, all of the provisions of the True-Up Agreements upon demand of the Majority Owners of the Series 2018 Bonds, or the Trustee at the written direction of the Majority Owners of the Series 2018 Bonds, shall constitute an Event of Default under the Indenture without benefit of any period for cure.

**IN WITNESS WHEREOF,** Del Webb Bexley Community Development District has caused this First Supplemental Trust Indenture to be executed by the Chair of its Board of Supervisors and its corporate seal to be hereunto affixed and attested by an Assistant Secretary of its Board of Supervisors and U.S. Bank National Association has caused this First Supplemental Trust Indenture to be executed by a Vice President, all as of the day and year first above written.

**SEAL**

**DEL WEBB BEXLEY COMMUNITY DEVELOPMENT DISTRICT**

Attest:

By: \_\_\_\_\_  
Chair, Board of Supervisors

\_\_\_\_\_  
Assistant Secretary,  
Board of Supervisors

**U.S. BANK NATIONAL ASSOCIATION,  
as Trustee**

By: \_\_\_\_\_  
Vice President

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**APPENDIX D**

**Form of Opinion of Bond Counsel**

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**Attorneys at Law**  
101 North Monroe Street  
Suite 900  
Tallahassee, FL 32301  
Tel 850.222.8611  
Fax 850.222.8969

FORM OF BOND COUNSEL OPINION

Upon delivery of the Bonds in definitive form, Bryant Miller Olive P.A., Bond Counsel, proposes to render its final approving opinion in substantially the following form:

October 26, 2018

Del Webb Bexley Community Development District  
Pasco County, Florida

U.S. Bank National Association  
Orlando, Florida

\$10,180,000  
Del Webb Bexley Community Development District  
(Pasco County, Florida)  
Special Assessment Bonds, Series 2018

Ladies and Gentlemen:

We have acted as Bond Counsel to the Del Webb Bexley Community Development District (the "Issuer") in connection with the issuance by the Issuer of its \$10,180,000 Special Assessment Bonds, Series 2018 (the "2018 Bonds") pursuant to and under the authority of the Constitution and the laws of the State of Florida, particularly the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended, and other applicable provisions of law (collectively, the "Act"), Ordinance No. 17-39 of the Board of County Commissioners of Pasco County, Florida, enacted on October 24, 2017, with an effective date of October 30, 2017 and Resolution No. 2018-31 duly adopted by the Board of Supervisors of the Issuer (the "Board") on February 28, 2018, as supplemented by Resolution No. 2018-40 duly adopted by the Board on September 12, 2018 (collectively, the "Resolution"). The 2018 Bonds are being further issued under and are secured by a Master Trust Indenture dated as of

October 1, 2018 (the "Master Indenture"), as supplemented by a First Supplemental Trust Indenture dated as of October 1, 2018 (the "First Supplement") and, together with the Master Indenture, the "Indenture"), each by and between the Issuer and U.S. Bank National Association, as Trustee. In our capacity as Bond Counsel, we have examined such law and certified proceedings, certifications and other documents as we have deemed necessary to render this opinion. Any capitalized undefined terms used herein shall have the meanings set forth in the Indenture.

The Series 2018 Bonds are being issued to (i) finance a portion of the Cost of the District's 2018 Project; (ii) pay certain costs associated with the issuance of the Series 2018 Bonds; (iii) capitalize the interest accruing on the Series 2018 Bonds through May 1, 2020; and (iv) fund the 2018 Reserve Account in the amount of the 2018 Reserve Account Requirement. The Series 2018 Bonds are a portion of the bonds validated by a final judgment rendered by the Circuit Court in and for Pasco County, Florida on May 24, 2018 the appeal period for which has expired with no appeal taken (the "Final Judgment").

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Resolution and the Indenture and in the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation. We have also relied upon all findings in the Final Judgment. We have not undertaken an independent audit, examination, investigation or inspection of such matters and have relied solely on the facts, estimates and circumstances described in such proceedings and certifications. We have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

The 2018 Bonds are payable from the Pledged Revenues, which consists of (a) all revenues received by the Issuer from the Series 2018 Special Assessments levied and collected on that portion of the District Lands benefited by the 2018 Project, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2018 Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2018 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Indenture (except for the Rebate Fund), in the manner and to the extent provided in the Indenture.

The 2018 Bonds do not constitute a general obligation or indebtedness of the Issuer within the meaning of any constitutional, statutory or other limitation of indebtedness and the holders thereof shall never have the right to compel the exercise of any ad valorem taxing power of the Issuer or taxation in any form of any real or personal property for the payment of the principal of or interest on the 2018 Bonds.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

Based on our examination, we are of the opinion, that, under existing law:

1. The Indenture constitutes a valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms.

2. The 2018 Bonds are valid and binding limited obligations of the Issuer enforceable in accordance with their terms, payable solely from the Pledged Revenues in the manner and to the extent provided in the Indenture.

3. The Indenture creates a valid lien upon the 2018 Pledged Revenues for the security of the 2018 Bonds.

4. Interest on the 2018 Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. However, interest on the 2018 Bonds will be taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax on corporations for taxable years that began prior to January 1, 2018. The alternative minimum tax on corporations was repealed for taxable years beginning on and after January 1, 2018. The opinion set forth in the preceding sentences is subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the 2018 Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted in the Indenture to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the 2018 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the 2018 Bonds.

It is to be understood that the rights of the owners of the 2018 Bonds and the enforceability thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity, to the valid exercise of the sovereign police powers of the State of Florida and of the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

For purposes of this opinion, we have not been engaged or undertaken to review and, therefore, express no opinion herein regarding the accuracy, completeness or adequacy of the Limited Offering Memorandum or any other offering material relating to the 2018 Bonds. This opinion should not be construed as offering material, an offering circular, prospectus or official statement and is not intended in any way to be a disclosure statement used in connection with

the sale or delivery of the 2018 Bonds. Furthermore, we are not passing on the accuracy or sufficiency of any CUSIP numbers appearing on the 2018 Bonds. In addition, we have not been engaged to and, therefore, express no opinion as to compliance by the Issuer or the underwriter or underwriters with any federal or state statute, regulation or ruling with respect to the sale and distribution of the 2018 Bonds or regarding the perfection or priority of the lien on the Pledged Revenues created by the Indenture. Further, we express no opinion regarding federal income or state tax consequences arising with respect to the 2018 Bonds other than as expressly set forth herein.

Our opinions expressed herein are predicated upon present law, facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof. Delivery of this opinion to parties other than the Issuer does not create an attorney-client relationship with such parties.

Respectfully submitted,

BRYANT MILLER OLIVE P.A.

**APPENDIX E**

**Form of Continuing Disclosure Agreement**

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## CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Disclosure Agreement”) dated October 26, 2018, is executed and delivered by the Del Webb Bexley Community Development District (the “Issuer”), NNP-Bexley, LLC (the “Master Landowner”), Pulte Home Company, LLC (the “Developer”), and Rizzetta & Company, Incorporated, as Dissemination Agent (the “Dissemination Agent”) in connection with the issuance by the Issuer of its \$10,180,000 aggregate principal amount of Special Assessment Bonds, Series 2018 (the “Series 2018 Bonds”). The Series 2018 Bonds are being issued pursuant to a Master Trust Indenture dated as of October 1, 2018 (the “Master Indenture”) by and between the Issuer and U.S. Bank National Association, Orlando, Florida, as trustee (the “Trustee”), as amended and supplemented from time to time, and as particularly supplemented with respect to the Series 2018 Bonds by a First Supplemental Trust Indenture by and between the District and the Trustee and dated as of October 1, 2018 (the “First Supplemental Indenture,” and, together with the Master Indenture, the “Indenture”). The Issuer, the Master Landowner, the Developer and the Dissemination Agent covenant and agree as follows:

1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer, the Master Landowner, the Developer, and the Dissemination Agent for the benefit of the Beneficial Owners of the Series 2018 Bonds and to assist the Participating Underwriter in complying with the continuing disclosure requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934, as amended from time to time (the “Rule”).

The provisions of this Disclosure Agreement are supplemental and in addition to the provisions of the Indenture with respect to reports, filings and notifications provided for therein, and do not in any way relieve the Issuer, the Trustee or any other person of any covenant, agreement or obligation under the Indenture (or remove any of the benefits thereof) nor shall anything herein prohibit the Issuer, the Trustee or any other person from making any reports, filings or notifications required by the Indenture or any applicable law.

2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined herein, the following capitalized terms shall have the following meanings:

**“Annual Report”** shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

**“Assessments”** shall mean the non-ad valorem special assessments pledged to the payment of the Series 2018 Bonds pursuant to the Indenture.

**“Beneficial Owner”** shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2018 Bonds (including

persons holding Series 2018 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2018 Bonds for federal income tax purposes.

**“Business Day”** means any day other than a Saturday, Sunday or a day on which the Trustee is required, or authorized or not prohibited by law (including executive orders), to close and is closed, or on any day on which the New York Stock Exchange is closed.

**“Developer”** shall mean Pulte Home Company, LLC and its successors and assigns.

**“Developer Lands”** shall mean the lands owned by the Developer and subject to the Assessments.

**“Development”** shall have meaning ascribed thereto in the Limited Offering Memorandum.

**“Dissemination Agent”** shall mean, initially, Rizzetta & Company, Incorporated, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer and Trustee a written acceptance of such designation.

**“District Manager”** shall mean Rizzetta & Company, Incorporated, or a successor District Manager.

**“Event of Bankruptcy”** shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

**“Fiscal Year”** shall mean the period commencing on October 1 and ending on September 30 of the next succeeding year, or such other period of time provided by applicable law.

**“Issuer Disclosure Representative”** shall mean the District Manager of the Issuer or his/her/its designee, or such other officer or employee as the Issuer shall designate in writing to the Trustee and the Dissemination Agent from time to time.

**“Limited Offering Memorandum”** shall mean the final offering document relating to the Series 2018 Bonds.

**“Listed Events”** shall mean any of the events listed in Section 7(a) of this Disclosure Agreement.

**“Master Landowner”** shall mean NNP-Bexley, LLC and its successors and assigns.

**“Master Landowner Lands”** shall mean the lands owned by the Master Landowner and subject to the Assessments.

**“Obligated Person”** shall mean, with respect to the Series 2018 Bonds, those person(s) who either generally or through an enterprise fund or account of such persons are committed by contract or other arrangement to support payment of at least 20% of the Assessments (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), which person(s) shall include the Issuer, and for the purposes of this Disclosure Agreement, the Master Landowner and the Developer and their respective affiliates, successors or assigns (excluding homebuyers who are end users), for so long as the Master Landowner or Developer or their respective affiliates, successors or assigns (excluding homebuyers who are end users) is the owner of District lands responsible for payment of at least 20% of the Assessments.

**“Obligated Person Report”** shall mean any Obligated Person Report provided by the Master Landowner or the Developer, as applicable, or their successors or assigns, pursuant to, and as described in, Sections 5 and 6 of this Disclosure Agreement.

**“Participating Underwriter”** shall mean the original underwriter of the Series 2018 Bonds required to comply with the Rule in connection with offering of the Series 2018 Bonds.

**“Repository”** shall mean each entity authorized and approved by the SEC from time to time to act as a repository for purposes of complying with the Rule. The Repositories currently approved by the SEC may be found by visiting the SEC’s website at <http://www.sec.gov/info/municipal/nrmsir.htm>. As of the date hereof, the Repository recognized by the SEC for such purpose is the Municipal Securities Rulemaking Board, which currently accepts continuing disclosure submissions through its Electronic Municipal Market Access (“EMMA”) web portal at “<http://www.emma.msrb.org>.”

**“Rule”** shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

**“State”** shall mean the State of Florida.

3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, within 180 days of the end of the Issuer’s Fiscal Year, beginning with the Fiscal Year ending September 30, 2019 (the “Annual Filing Date”) with respect to the report for the 2019 Fiscal Year, provide to any Repository in electronic format as prescribed by such Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Issuer may be submitted separately from

the balance of the Annual Report and later than the date required above, but in no event later than the date required to be filed with the State of Florida pursuant to applicable State law (currently within nine (9) months of the end of the Issuer's Fiscal Year), for the filing of the Annual Report if they are not available by that date. If the Issuer's Fiscal Year changes, the Issuer shall give notice of such change in the same manner as for a Listed Event under Section 7(a).

(b) If on the fifteenth (15th) day prior to each Annual Filing Date the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Issuer Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 3(a) above. Upon such reminder, the Issuer Disclosure Representative, shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report in accordance with Section 3(a) above, or (ii) instruct the Dissemination Agent in writing that the Issuer, will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Dissemination Agent that a Listed Event as described in Section 7(a)(15) has occurred and to immediately send a notice to any Repository in electronic format as required by such repository in substantially the form attached as Exhibit A hereto.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name, address and filing requirements of any Repository; and

(ii) promptly upon fulfilling its obligations under subsection (b) above, file a notice with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date(s) it was provided and listing any Repository to which it was provided.

#### 4. Content of Issuer's Annual Report.

(a) The Issuer's Annual Report shall contain or incorporate by reference the following, which includes an update of the financial and operating data of the Issuer to the extent presented in the Limited Offering Memorandum. All information in the Annual Report shall be presented for the immediately preceding Fiscal Year and, to the extent available, the current Fiscal Year:

(i) The amount of Assessments levied.

(ii) The amount of Assessments collected from property owners.

(iii) If available, the amount of delinquencies greater than 150 days, and, in the event that delinquencies amount to more than ten percent (10%) of the amounts of Assessments due in any year, a list of delinquent property owners.

(iv) The amount of tax certificates sold, if any, and the balance, if any, remaining for sale.

(v) All fund balances in all Funds and Accounts for the Series 2018 Bonds. The Issuer shall provide any Beneficial Owners and the Dissemination Agent with this information more frequently than annually within thirty (30) days of the written request of the Beneficial Owners.

(vi) The total amount of Series 2018 Bonds Outstanding.

(vii) The amount of principal and interest due on the Series 2018 Bonds.

(viii) Any amendment of the provisions of this Disclosure Agreement as described in Section 12 hereof.

(ix) The most recent audited financial statements of the Issuer which shall be prepared in accordance with governmental accounting standards promulgated by the Government Accounting Standards Board.

(b) To the extent any of the items set forth in subsections (i) through (vii) above are included in the audited financial statements referred to in subsection (viii) above, they do not have to be separately set forth.

(c) The Issuer represents and warrants that it will supply, in a timely fashion, any information available to the Issuer and reasonably requested by the Dissemination Agent that is necessary in order for the Dissemination Agent to carry out its duties under this Disclosure Agreement. The Issuer acknowledges and agrees that the information to be collected and disseminated by the Dissemination Agent will be provided by the Issuer and others. The Dissemination Agent's duties do not include authorship or production of any materials, and the Dissemination Agent shall have no responsibility hereunder for the content of the information provided to it by the Issuer or others as thereafter disseminated by the Dissemination Agent.

The information provided under this Section 4 may be included by specific reference to documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the Repository's Internet Web site or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

The Issuer reserves the right to modify from time to time the specific types of information provided in its Annual Report or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Issuer; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule.

5. Provision of Obligated Person Report.

(a) The Developer and the Master Landowner shall provide an Obligated Person Report with respect to the Developer Lands and the Master Landowner Lands, respectively, which contains the information in Section 6(b) of this Disclosure Agreement, as applicable, to the Dissemination Agent no later than the Quarterly Receipt Date (as defined below) for such Obligated Person Report. Within thirty (30) days following the Quarterly Receipt Date, the Dissemination Agent shall file the Obligated Person Report provided to it by the Developer and the Master Landowner with each Repository (the "Quarterly Filing Date").

(b) If on the seventh (7th) day prior to each Quarterly Receipt Date the Dissemination Agent has not received a copy of the Obligated Person Report due on such Quarterly Receipt Date, the Dissemination Agent shall contact the Developer and/or the Master Landowner by telephone and in writing (which may be by e-mail) to remind the Developer and/or the Master Landowner of its undertaking to provide the Obligated Person Report pursuant to this Section 5. Upon such reminder, the Developer and/or the Master Landowner shall either (i) provide the Dissemination Agent with an electronic copy of the Obligated Person Report in accordance with Section 5(a) above, or (ii) instruct the Dissemination Agent in writing that the Developer and/or Master Landowner will not be able to file the Obligated Person Report within the time required under this Disclosure Agreement and state the date by which such Obligated Person Report will be provided.

(c) If the Dissemination Agent has not received an Obligated Person Report that contains the information in Section 6(b) of this Disclosure Agreement by 12:00 noon on the first business day following each Quarterly Receipt Date, a Listed Event described in Section 7(a)(15) shall have occurred and the Issuer, the Developer and the Master Landowner hereby direct the Dissemination Agent to send a notice to each Repository in substantially the form attached as Exhibit A hereto, with a copy to the Issuer. The Dissemination Agent shall file such notice no later than thirty (30) days following the applicable Quarterly Receipt Date.

(d) The Dissemination Agent shall:

(i) determine prior to each Quarterly Filing Date the name and address of each Repository; and

(ii) promptly upon fulfilling its obligations under subsection (a) above, file a notice with the Developer, the Master Landowner and the Issuer stating that the Obligated Person Report has been provided pursuant to this Disclosure Agreement and stating the date(s) it was provided.

6. Content of Obligated Person Report.

(a) The Developer and the Master Landowner, so long as each is an Obligated Person for purposes of this Disclosure Agreement, shall prepare an Obligated Person Report no later than thirty (30) days after the end of each calendar quarter commencing, March 31, 2019;

provided, however, that so long as the Developer or the Master Landowner is a reporting company, such thirty (30) days shall be extended to the date of filing of its respective 10K or 10Q, if later, as the case may be (each, a "Quarterly Receipt Date"). At such time as the Developer or the Master Landowner is no longer an Obligated Person, the Developer or Master Landowner will no longer be obligated to prepare a quarterly Obligated Person Report pursuant to this Disclosure Agreement.

(b) The Obligated Person Report filed by the Developer shall contain the following information:

(i) An update of the takedown schedule table included in subsection "THE DEVELOPMENT – Purchase Agreement";

(ii) An update of the table in the subsection "THE DEVELOPMENT – Product Offerings/Pricing";

(iii) An update of the table in the subsection "THE DEVELOPMENT – Product Type/Phasing Plan";

(iv) An update of the table in the subsection "THE DEVELOPMENT – Projected Absorption";

(v) A description of the infrastructure improvements and recreational amenities needed for the Development that have been completed and that are currently under construction, including infrastructure financed by the Series 2018 Bonds;

(vi) The percentage of the infrastructure financed by the Series 2018 Bonds that has been completed;

(vii) The number of assessable units planned on property subject to the Assessments;

(viii) The number of single-family homes closed with retail end users;

(ix) The number of single-family homes under contract with retail end users;

(x) The number of single-family lots under contract with builders, together with the name of each builder;

(xi) The number of single-family lots closed with builders, together with the name of each builder;

(xii) The estimated date of complete build-out of residential units;

(xiii) Whether the Developer has made any bulk sale of the land subject to the Assessments other than as contemplated by the Limited Offering Memorandum;

(xiv) The status of development approvals for the Development;

(xv) Materially adverse changes or determinations to permits/approvals for the Development which necessitate changes to the Developer's land-use or other plans for the Development;

(xvi) Updated plan of finance (i.e., status of any credit enhancement, issuance of additional bonds to complete project, draw on credit line of Developer, additional mortgage debt, etc.);

(xvii) Any event that would have a material adverse impact on the implementation of the Development as described in the Limited Offering Memorandum or on the Developer's ability to undertake the Development as described in the Limited Offering Memorandum; and

(xviii) Any amendment or waiver of the provisions of this Disclosure Agreement as described in Section 12 hereof.

(c) The Obligated Person Report filed by the Master Landowner shall contain the following information with respect to Master Landowner Lands:

(i) An update of the takedown schedule table included in subsection "THE DEVELOPMENT – Purchase Agreement";

(ii) The number of assessable units planned on Master Landowner Lands subject to the Assessments;

(iii) The number of single-family homes closed with retail end users;

(iv) The number of single-family homes under contract with retail end users;

(v) The number of single-family lots under contract with builders, together with the name of each builder;

(vi) The number of single-family lots closed with builders, together with the name of each builder;

(vii) The estimated date of complete build-out of residential units;

(viii) Whether the Master Landowner has made any bulk sale of the Master Landowner Lands subject to the Assessments other than as contemplated by the Limited Offering Memorandum;

(ix) The status of development approvals for the Development;

(x) With respect to the Master Landowner Lands , materially adverse changes or determinations to permits/approvals for the Development which necessitate changes to the Master Landowner's land-use or other plans for the Development;

(xi) Updated plan of finance (i.e., status of any credit enhancement, issuance of additional bonds to complete project, draw on credit line of Master Landowner, additional mortgage debt, etc.);

(xii) Any event that would have a material adverse impact on the implementation of the Development as described in the Limited Offering Memorandum or on the Developer's or Master Landowner's ability to undertake the Development as described in the Limited Offering Memorandum; and

(xiii) Any amendment or waiver of the provisions of this Disclosure Agreement as described in Section 12 hereof.

(d) Any of the items listed in subsection (b) and (c) above may be incorporated by reference from other documents which have been submitted to each of the Repository or the SEC. The Developer and Master Landowner shall clearly identify each such other document so incorporated by reference.

(e) If the Developer or Master Landowner sells, assigns or otherwise transfers ownership of real property in the Development to a third party, which will in turn be an Obligated Person for purposes of this Disclosure Agreement as a result thereof (a "Transfer"), the Developer and the Master Landowner hereby agrees to require such third party to comply with the disclosure obligations of the Developer and Master Landowner hereunder for so long as such third party is an Obligated Person hereunder, to the same extent as if such third party were a party to this Disclosure Agreement. The Developer or Master Landowner involved in such Transfer shall promptly notify the Issuer and the Dissemination Agent in writing of the Transfer. For purposes of Sections 5 and 6 hereof, the term "Developer" or "Master Landowner" shall be deemed to include the Developer or Master Landowner and any third party that becomes an Obligated Person hereunder as a result of a Transfer. In the event that the Developer or Master Landowner remains an Obligated Person hereunder following any Transfer, nothing herein shall be construed to relieve the Developer or Master Landowner from its obligations hereunder.

7. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 7, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2018 Bonds and the Developer and Master Landowner shall give, or cause to be given, notice of the occurrence of numbers 12, 13 and 15 of the following events, to the Dissemination Agent (as they pertain to the Developer or Master Landowner, as applicable) in writing in sufficient time in order to allow the Dissemination Agent to file notice of the occurrence of such Listed Event in a timely manner not in excess of ten (10) business days after the occurrence of the event, with the exception of the event described in number 15 below, which notice shall be given in a timely manner:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Series 2018 Bonds, or other material events affecting the tax status of the Series 2018 Bonds;
7. modifications to rights of the holders of the Series 2018 Bonds, if material;
8. bond calls, if material, and tender offers;
9. defeasances;
10. release, substitution, or sale of property securing repayment of the Series 2018 Bonds, if material;
11. ratings changes;
12. an Event of Bankruptcy or similar event of an Obligated Person;
13. the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination

of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. notice of any failure on the part of the Issuer to provide an Annual Report as required by Section 3 hereof or of the Developer or Master Landowner to meet the requirements of Section 5 hereof;
16. a change in the Issuer's Fiscal Year pursuant to Section 3(a) hereof;
17. termination of the Issuer's obligations under this Disclosure Agreement pursuant to Section 7 hereof; and
18. any amendment to the accounting principles to be followed in preparing financial statements pursuant to Section 9 hereof.

(b) The notice required to be given in paragraph 7(a) above shall be filed with any Repository, in electronic format as prescribed by such Repository.

8. Identifying Information. In accordance with the Rule, all disclosure filings submitted pursuant to this Disclosure Agreement to any Repository must be accompanied by identifying information as prescribed by the Repository. Such information may include, but not be limited to:

- (a) the category of information being provided;
- (b) the period covered by any annual financial information, financial statement or other financial information or operation data;
- (c) the issues or specific securities to which such documents are related (including CUSIPs, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate);
- (d) the name of any Obligated Person other than the Issuer;
- (e) the name and date of the document being submitted; and
- (f) contact information for the submitter.

9. Termination of Disclosure Agreement. The Issuer's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2018 Bonds, so long as there is no remaining liability of the Issuer, or if the Rule is repealed or no longer in effect. The Developer's and Master Landowner's obligations shall terminate at such time as the Developer or Master Landowner is no longer an Obligated Person. If such termination occurs prior to the final maturity of the Series 2018 Bonds, the Issuer and/or the Developer or Master Landowner shall give notice of such termination in the same manner as for a Listed Event under Section 7.

10. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to perform the duties of the Dissemination Agent as provided herein, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The initial Dissemination Agent shall be Rizzetta & Company, Incorporated. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Agreement.

11. Disclaimer. Rizzetta & Company, Incorporated does not represent the Del Webb Bexley Community Development District as a Municipal Advisor or Securities Broker nor is Rizzetta & Company, Incorporated, registered to provide such services as described in Section 15B of the Securities and Exchange Act of 1934, as amended. Similarly, Rizzetta & Company, Incorporated, does not provide the Del Webb Bexley Community Development District with financial advisory services or offer investment advice in any form.

12. Amendment. Notwithstanding any other provision of this Disclosure Agreement, the Issuer, the Master Landowner, the Developer and the Dissemination Agent (if the Dissemination Agent is not the Issuer) may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) The amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer, the Developer and/or the Master Landowner, or the type of business conducted;

(b) The undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Series 2018 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of the holders, as determined either (i) by parties unaffiliated with the Issuer (such as the trustee or Bond Counsel), or (ii) by approving vote of bondholders pursuant to the terms of the governing instrument at the time of the amendment.

Notwithstanding the foregoing, the Issuer, the Master Landowner, the Developer and the Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the SEC from time to time.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer, the Master Landowner and the Developer shall describe such amendment in its next Annual Report or Obligated Person Report, as applicable, and shall include, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating

data being presented by the Issuer, the Master Landowner or the Developer, as applicable. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 7(b), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

13. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer, the Master Landowner or the Developer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer, the Master Landowner or the Developer chooses to include any information in any Annual Report or Obligated Person Report, as applicable, or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer, the Master Landowner or the Developer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or Obligated Person Report, as applicable, or notice of occurrence of a Listed Event.

14. Default. In the event of a failure of the Issuer, the Master Landowner, the Developer, the Issuer Disclosure Representative or a Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee shall (at the request of any Participating Underwriter or the Holders of more than 50% aggregate principal amount of outstanding Series 2018 Bonds and receipt of indemnity satisfactory to the Trustee), or any beneficial owner of a bond may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer, the Master Landowner, the Developer, the Issuer Disclosure Representative or a Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. No default hereunder shall be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer, the Master Landowner, the Developer, the Issuer Disclosure Representative or a Dissemination Agent, to comply with this Disclosure Agreement shall be an action to compel performance.

15. Duties of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement.

16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Master Landowner, the Developer, the Dissemination Agent, the Trustee, the Participating Underwriter and Beneficial Owners of the Series 2018 Bonds, and shall create no rights in any other person or entity.

17. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

18. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida and federal law.

19. Trustee Cooperation. The Issuer represents that the Dissemination Agent is a bona fide agent of the Issuer and directs the Trustee to deliver to the Dissemination Agent at the expense of the Issuer, any information or reports readily available to the Trustee it requests that the Issuer has a right to request from the Trustee (inclusive of balances, payments, etc.).

[End of document – signatures to follow]

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Agreement as of the date and year set forth above.

[SEAL]

**DEL WEBB BEXLEY COMMUNITY  
DEVELOPMENT DISTRICT, AS ISSUER**

CONSENTED TO AND AGREED TO BY:

By: \_\_\_\_\_  
Chair, Board of Supervisors

**RIZZETTA & COMPANY, INCORPORATED,**  
and its successors and assigns, as Issuer  
Disclosure Representative

\_\_\_\_\_  
Name: William J. Rizzetta  
Title: President

**JOINED BY U.S. BANK NATIONAL  
ASSOCIATION, AS TRUSTEE, FOR PURPOSES  
OF SECTIONS 14, 16 AND 19 ONLY**

By: \_\_\_\_\_  
Name: Leanne M. Duffy  
Title: Vice President

**NNP-BEXLEY, LLC, as Master Landowner**

By: \_\_\_\_\_  
Name: Alex McLeod  
Title: Senior Vice President

**PULTE HOME COMPANY, LLC, as Developer**

By: \_\_\_\_\_  
Name: D. Bryce Langen  
Title: Vice President & Treasurer

**RIZZETTA & COMPANY, INCORPORATED,  
AS DISSEMINATION AGENT**

By: \_\_\_\_\_  
Name: William J. Rizzetta  
Title: President

**EXHIBIT A**

**NOTICE TO REPOSITORIES  
OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Del Webb Bexley Community Development District

Name of Bond Issue: \$10,180,000 Special Assessment Bonds, Series 2018

Date of Issuance: October 26, 2018

CUSIPS: 245508AA4  
245508AB2  
245508AC0  
245508AD8

**NOTICE IS HEREBY GIVEN** that the [Issuer] [Developer] [Master Landowner] has not provided an [Annual Report] [Obligated Person Report] with respect to the above-named Bonds as required by [Section 3] [Section 5] of the Continuing Disclosure Agreement dated October 26, 2018, among the Issuer, the Master Landowner, the Developer and the Dissemination Agent named therein. The [Issuer] [Developer] [Master Landowner] has advised the undersigned that it anticipates that the Annual Report will be filed by \_\_\_\_\_, 20\_\_\_\_.

Dated: \_\_\_\_\_, \_\_\_\_\_, Dissemination Agent

cc: [Issuer] [Developer] [Master Landowner]

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